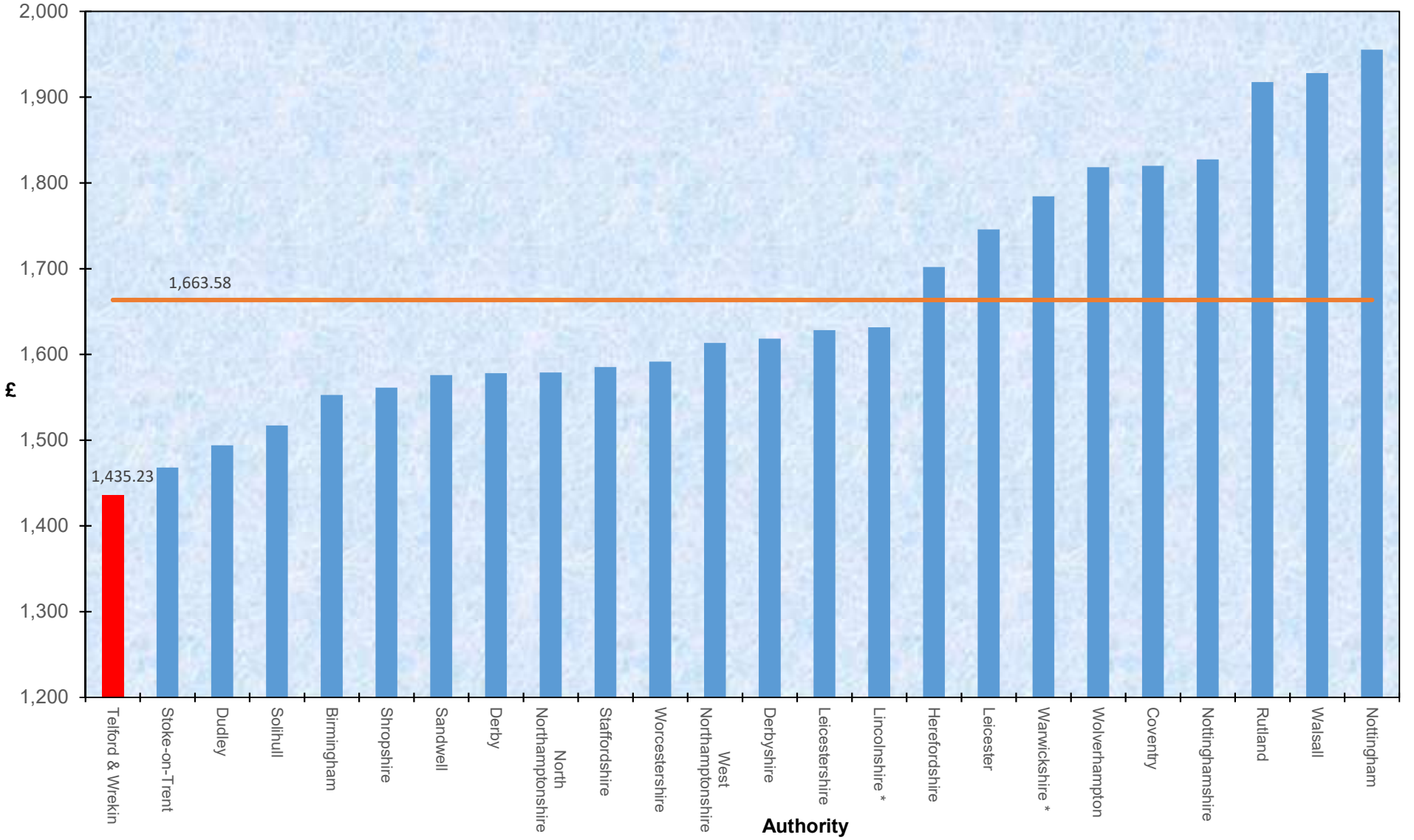
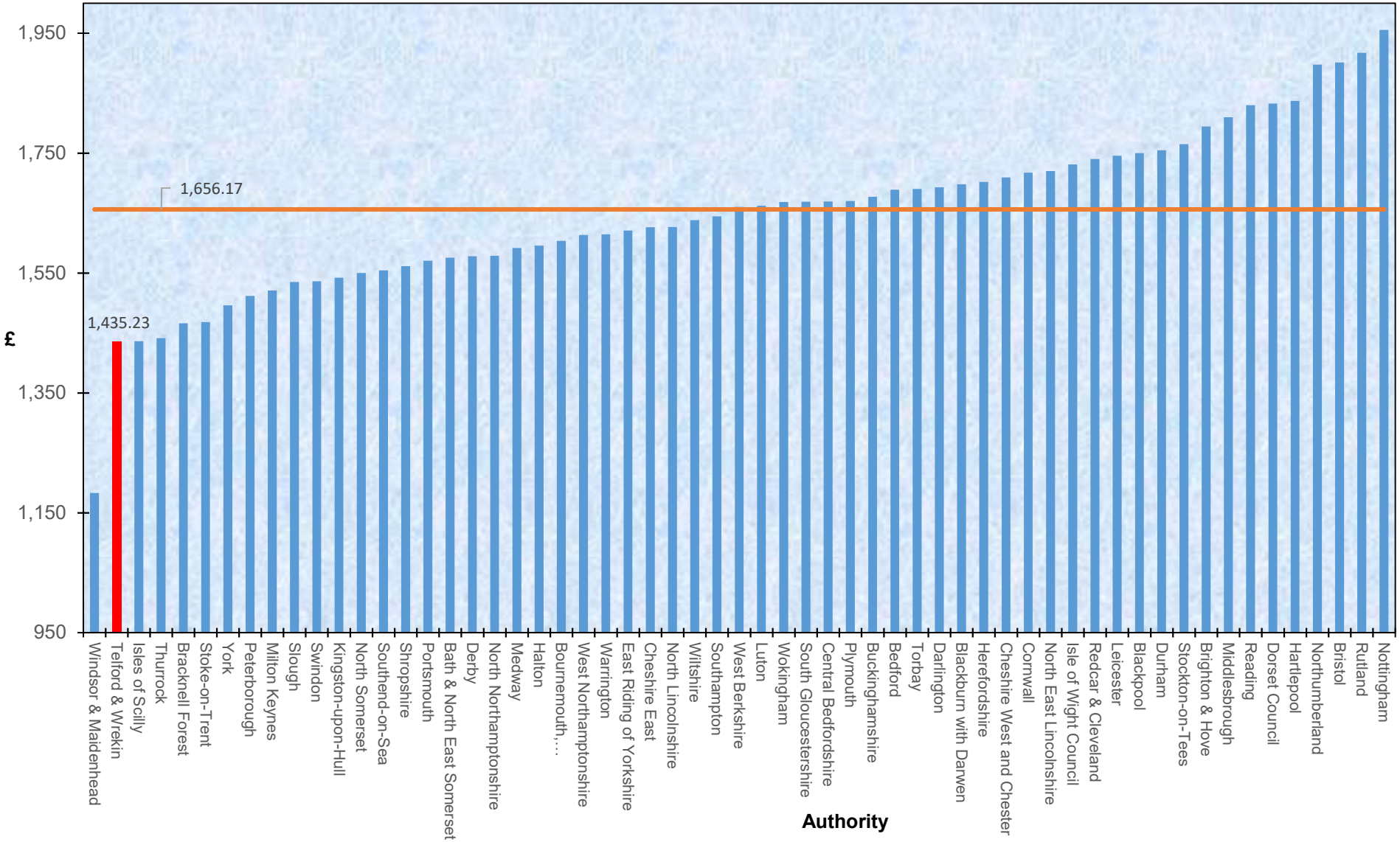
Appendix 1

Midlands Authorities 2022/23 Band D Council Tax for equivelent unitary services (Excluding Police, Fire* and Parish Precepts)



Appendix 2

Unitary Authorities 2022/23 Band D Council Tax
(Excluding Police, Fire and Parish precepts)



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 £140.913m. 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	
Full	**140.913**	

2. **This is equal to over £1,735 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 26% 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 Retail 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 £13.5m 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 £14.5m procurement savings over the past 14 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

- As part of our business winning approach, we expect to generate an extra £7.5m income by 2020, through growth in business rates and council tax since the introduction of the new local government finance system in April 2013.
- We will receive around £3.7m in 2022/23 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 2022/23 after covering all additional costs. NuPlace Ltd profit before tax was £0.564m in

2021/22 and will be at similar levels in 2022/23 as anticipated. It is also anticipated that the Council will receive a dividend from Nuplace in 2022/23.

- 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 2022/23.
- 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 27 properties including the former Civic Offices building.
- Reduced the office space we use by a third, saving the Council £2m. p.a.
- Four operational properties are currently being used.
- With staff adapting to home working as a result of Covid 19, a new hybrid mix of office and home working has been implemented. This could create further opportunities for efficiencies within the operational property estate.

Appendix 4

Service strategies

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 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

Our service strategy shows the ongoing commitment of Adult Social Care in Telford, encompassing the Councils four year programme to 'Protect, Care and Invest to create a better borough'. We strive to deliver a person centred integrated and collaborative service that brings social care, health organisations and key partners together, for Telford and Wrekin residents with care and support needs.

Using a community asset and strengths based approach, we work with individuals, the people around them and partners 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 key partners and communities to enable people to Live Well and Independently in Telford and Wrekin.

Jonathan Rowe
Executive Director: Adult Social Care, Health Integration & Wellbeing

Sarah Dillon
Director: Adult Social Care

Meet the team:

Victoria Worthington, Community Social Work Mental Health, Adult Safeguarding, Deprivation of Liberties Safeguards and Family Connect.

- Provides adult social care support for people under the Care Act 2014
- Specialist safeguarding service to discharge the Council's statutory responsibilities
- Adults Safeguarding Board who we regularly report to on our performance
- Provide specialist mental health social work service working with partners
- 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
- Adult Community Support Advisors are located within the Children's Family Connect Service and take all initial calls for Adult Social Care.

Clare Hall-Salter, Service Improvement & Efficiency

- Partnership Programme Management
- Case management and Financial management systems development and oversight
- Improvement Programmes and project management
- Digital Transformation
- Financial Assessment and Case Management
- Appointeeship and Deputyship Financial Services
- Provider Payments and Monitoring
- Quality assurance and complaints management
- Policies and business process development
- Communications
- Information and advice, including Live Well Telford online directory of services
- Business administration

Amardeep Grewal, Autism and Learning Disability Community Social Work, My Options and Principal Social Worker for Adult Social Care

- Provide Adult Care support for people under the provisions of the Care Act, Mental Capacity Act, Human Rights Act. 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
- Providing specialist Learning Disability and Autism support while discharging all statutory responsibilities of the Care Act, Mental Capacity Act and Human Rights Act
- Supporting young people with preparing for adulthood through transitions
- To lead Social Work practice internally and externally with partners while supporting the organisations vision for Adult Social Care
- My Options – activity, wellbeing and care services

Michael Bennett, Hospital and Enablement

- Telford Integrated Community Assessment Team (TICAT) works closely with partners to provide a service which offers support to avoid hospital admissions and safe discharges for people from acute hospitals using a discharge to assess model. This is along with enablement support in peoples own homes or alternative accommodation within the community.
- Continuing Health Care (CHC) lead

Photo to be supplied

Sarah Bass, Place Based Commissioning, Procurement and Brokerage

- Corporate Procurement
- ASC and CYP Procurement
- ASC and CYP Brokerage
- ASC and CYP Provider Quality Monitoring
- ICS Place Based Joint Commissioning

Photo to be supplied

Emma Clutton, Prevention, Independence, Older People and Disability

- Provides adult social care support for people under the provisions of the Care Act 2014.
- Delivering adult statutory social work requirements.
- Locality working with partners and the community.
- Assessment, support planning and timely reviews.
- Support independence.
- Promote direct payments, where people are eligible.
- Prevention and Enablement services including Occupational Therapy, Sensory Services and Assistive Technologies for technology enabled care, Independent Living Centre.

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 – information and advice will be provided early to enable people to help themselves

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

- Number of users of Live Well Telford
  - internal users
  - external users
- Number of people given info and advice via Wellbeing and Independence Partnership that supports them to keep independent for longer.

Our aim – people will live independently in their own homes for longer

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

- Social Care related quality of life
- Carer reported quality of life
- Overall satisfaction of people who use services with their care and support
- Overall satisfaction of carers with social services
- % of clients at home 91 days after enablement
- Length of stay on enablement
- % of clients returning home after enablement
- Outcome of short term services to maximise independence
- Proportion of contacts to Family Connect that go on to start Long Term Support
- % Reviews completed
- Permanent admissions to Residential/Nursing care (18-64) per 100,000 population
- Permanent admissions to Residential/Nursing care (65+) per 100,000 population
- ALD in employment
- Our target for our internal My Options services are that the three CQC inspected services – Lakewood Court, Shared Lives and Community Support services - are rated as good or above by CQC
- % Direct Payments

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

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

- % of section 42 enquiries undertaken where risk is removed/ reduced at closure
- % people whose desired outcomes have been achieved in the Safeguarding process
- % people in Safeguarding process who are offered advocacy in line with Making Safeguarding Personal

Our aim – partners, people and communities work together

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

- Delayed transfers of care
- % complex discharges on pathways 0,1, 2 and 3

Our aim – a quality sustainable care market will be in place

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

- Proportion of people who are supported by a CQC registered provider of good or outstanding rating

OUR ACHIEVEMENTS

Proportion of people using social care who receive self-directed support – Carers
top quartile
nationally.

Proportion of 65+ year olds still at home 91 days after discharge from hospital into reablement/ rehabilitation services
top quartile
nationally

Partnership Board developments
Learning Disability Partnership Board, Autism Partnership Board; Ageing Well Partnership Board

My Options
Shared Lives
judged as
Outstanding by CQC

Established
Co-production Framework
through collaborative working

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

Adult Social Care Services
rated as
Exceptional
by WMADASS Peer Review

The table below shows the original revenue budget for 2022/23 for the Adult Social Care directorate.

EXPENDITURE £'000	
Employees	14,911
Premises	99
Supplies & services	5,253
Support services	3,699
Third party payments	53,629
Transfer payments	6,216
Transport	163
Capital financing	18
Total EXPENDITURE	**83,988**

INCOME £'000	
Interest receipts	
Fees & charges	
Government grants	(9,403)
Other grants, reimbursements & contributions	(10,601)
Recharges to other services	(2,368)
Rents	(150)
Sales	(8,800)
Total INCOME	**(31,322)**
NET EXPENDITURE	**52,666**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Children's Safeguarding & 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 & 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

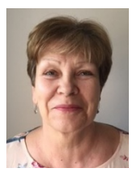
Darren Knibbs
Interim Director: Children's Safeguarding & Family Support

Meet the team:

Photo to be supplied

Emma Martin, Family Connect, Emergency Duty Team, Strengthening Families
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 managing the statutory responsibility of children centres



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, Parenting Assessment and Contact

- 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 Parenting 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 Contact Team supports children who are in our care to spend time with their families.

Photo to be supplied

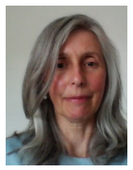
Laura Moore, Service Improvement and Efficiency
Service Improvement and Efficiency brings together a range of functions to support and enhance Children's Safeguarding and Family Support:

- Projects and Innovation (across Education and Skills also)
- Healthy, Happy and Active Holidays Fund
- Sector-Led Improvement Lead
- Policy and Procedures
- Business Support Officers across Children's Safeguarding and Family Support

HELPING FAMILIES SHAPING FUTURES CHANGING LIVES

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
- Family Solutions Team, has responsibility for minimising the need for children to become looked after by the Local Authority where it is safe to do
- 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



Jan Bright, Fostering

- 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

Tutsi Selvey, 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 leanring to the service.
  Works to support all levels of the workforce with practice development and quality
  Ensuring that current systems and interventions continue to be evaluated to meet the needs of children and families, evaluating their effectiveness and quality through quality assurance and audit mechanisms. The Team provides ongoing training and support on our electronic record management system, LCS.
- Systemic Practice
- PSW
- Children's Commissioning, Looked After Children/ Leaving Care and SEND

  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

Consultation
with Families of Children with Disabilities
leading to understanding of Short Breaks processes and provision

Implementation of
Mockingbird Constellation
an innovative approach to fostering

In-house Foster Care modernisation plan to support our amazing carers and young people

Introduction of
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 existing youth offer
which includes CLIMB and Steer Clear with the additional support of St Giles Trust, creating safer, stronger communities and helping young people make positive choices and stay safe

Reducing Parental Conflict conference
held locally and involving many of our practitioners and experienced researchers and professionals, sharing excellent practice

Implementation and embedding of the
Family Safeguarding Model
including a rollout of train-the-trainer sessions in Motivational Interviewing techniques and wider training to a broader group of teams

Developing a
Care Leavers 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 2022/23 for the Children's Safeguarding & Family Support directorate.

EXPENDITURE £'000	
Employees	16,170
Premises	166
Supplies & services	7,613
Support services	2,737
Third party payments	13,146
Transfer payments	1,250
Transport	720
Capital financing	238
Total EXPENDITURE	**42,040**

INCOME £'000	
Interest receipts	
Fees & charges	
Government grants	(1,837)
Other grants, reimbursements & contributions	(524)
Recharges to other services	(695)
Rents	(38)
Sales	
Total INCOME	**(3,094)**
NET EXPENDITURE	**38,946**

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:

Angie Astley
Executive Director: Housing, Communities & Customer Services

Fliss Mercer
Director: Communities, Customer and Commercial Services

Lee Higgins, Customer Relationships & 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, Free School Meals, Concessionary Travel, Emergency Welfare Assistance, and one-off grants, such as the Household Support Fund
- Providing registration services (Births, Deaths and Marriages), including managing 3 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

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 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 2022/23 for the Communities, Customer & Commercial directorate.

EXPENDITURE £'000	
Employees	17,729
Premises	531
Supplies & services	8,020
Support services	8,572
Third party payments	352
Transfer payments	46,330
Transport	119
Capital financing	1,761
Total EXPENDITURE	**83,414**

INCOME £'000	
Interest receipts	
Fees & charges	(3,443)
Government grants	(46,584)
Other grants, reimbursements & contributions	(852)
Recharges to other services	(10,715)
Rents	(120)
Sales	(17,277)
Total INCOME	**(78,991)**
NET EXPENDITURE	**4,423**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

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
- 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 2023

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:

- % of residents who agree that the Council listens to their views
- % of residents who agree that they feel able to influence decisions in the local area

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:

- % of customers rating service as 9/10 (Customer Insight Reviews)
- 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 & 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)

OUR ACHIEVEMENTS

National and regional recognition of our services

Green flag and bronze award in West for Telford Town Park; BETT award finalists – Technical or IT Support Service; LGC Public Health award finalists – Betty the Bus; In top 3% of councils for our approach to Climate Change; Keep Britain Tidy award finalists; Soil association bronze award for Catering

Launch the My Telford app and chat-bot

to help more customers self-serve online

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; Queen's Platinum Jubilee Celebration Grant; Happy healthy and active holidays

Supporting the ongoing Covid response

including Betty the vaccination bus; the vaccination centre at TIC; test and trace payments; and the community support helpline

Reducing the Council's carbon footprint by 58%

over the last 2 years

Sustaining and growing excellent services for schools

despite high rates of Covid-related absence

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 **Queen's Platinum Jubilee** and attracting world-class artists to perform in **Telford Town Park**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Education & 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 & 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.

Jo Britton
Executive Director:
Children's & Family Services

Simon Wellman
Director:
Education & Skills

Meet the 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:

- School governance services including legal advice & support and governor training.
- Monitoring and support of school improvement in line with the Local Authority's 'Securing School Improvement Policy'.
- Newly Qualified Teacher management and support.
- The monitoring of children educated at home.
- Advice to schools and Early Years providers on safeguarding issues and the management of OFSTED qualifying complaints.
- Improving and ensuring good school attendance.
- Multicultural development services, including support for EAL pupils.
- 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.

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 the Linden Centre and Student Engagement Programmes as part of Alternative Provision.
- To build capacity and skills in schools to manage behaviour effectively, using strategies which recognise children's wider adverse experiences. Development and implementation of the 'Belonging Strategy' in schools to support this work.
- Facilitating the Fair Access Panel and placements of children.
- 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. Increasing the stability of educational placements for Children in Care is key to achieving this.
- Supporting Virtual School Head Teacher's extended duties. 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.
- Arthog Outdoor Education Programmes for schools and children.
- Providing holiday activities for disadvantaged young people through the Happy 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.

Photo to be supplied

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
- EAST – Employment Advisory Support Team – working to give specialist support to individuals with Learning Difficulties and Disabilities helping them gain entry to the labour market advisors are actively going to local businesses; developing relationships to achieve sustained job outcomes
- 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)

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 – 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
- Curriculum offer in all our schools having a specific focus on climate change initiatives
- Provision of technology solutions to support remote learning for learners where required – both children and adults
- % of children and young people with access to Wi-Fi at home
- % 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 and variety of events for different age groups held within the community
- Number of attendees at community events
- Uptake of family learning and Learn Telford courses

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 & 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
- % of pupils achieving good level of development in EYFS
- Number of new requests for EHC assessments
- Number of young people placed in LA special schools
- Rate of fixed term exclusion:
  - 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
900 school places
created over the last 5 years

100%
of Education, Health and Care Plans (EHCPs) for children with SEND
completed within 20 week timescale

98% children starting primary school and 96% of children moving to secondary school
were offered one of their top 3 preferences

Lower youth unemployment
via the new Youth Hub

Supporting
children from Afghanistan and Ukraine
to find school places

33% reduction in NEETS
(16-18 years olds not in employment, education or training)

Refreshed child focused
Corporate Parenting Strategy

Raising achievement
or disadvantaged pupils
through the RADY project

Zero exclusions
for primary aged children

The table below shows the original revenue budget for 2022/23 for the Education & Skills directorate.

EXPENDITURE £'000	
Employees	12,138
Premises	315
Supplies & services	1,186
Support services	3,526
Third party payments	117,089
Transfer payments	286
Transport	2,566
Capital financing	6,130
Total EXPENDITURE	**143,236**

INCOME £'000	
Interest receipts	
Fees & charges	(257)
Government grants	(121,990)
Other grants, reimbursements & contributions	(1,961)
Recharges to other services	(980)
Rents	
Sales	(4,395)
Total INCOME	**(129,583)**
NET EXPENDITURE	**13,653**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Finance & 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

Ken Clarke
Director: Finance & Human Resources

About us:

Finance & Human Resources is dedicated to working with and supporting Council colleagues, schools and partners to improve outcomes for the community. 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 & Human Resources director is the Council's Section 151 Officer.

Meet the team:

Pauline Harris, Corporate & 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/Michelle Brockway, Business, Education & Care 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
- Retaining existing external business and gaining new business
- Supporting the further development of the Resource Link system

Sue Wilson, Service Delivery Manager: Human Resources

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

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

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 **£133.7m savings** **for the Council over the past 12 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 12 years**

COVID 19 response including paying business grants and applying rate reliefs promptly, setting up and co-ordinating the successful Employee Taskforce working closely with NHS & other partners, adapting and developing policies and guidance for Hybrid Working

Retaining and winning new external contracts for the provision of HR services

"Clean" audit opinion **received for the Council's accounts** in all previous years

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 2022/23 for the Finance & HR directorate.

EXPENDITURE £'000	
Employees	5,850
Premises	1
Supplies & Services	883
Support Services	2,215
Third Party Payments	9
Transfer Payments	
Transport	10
Capital Financing	12,743
Total EXPENDITURE	**21,711**

INCOME £'000	
Interest receipts	(200)
Fees & Charges	
Government Grants	(220)
Other Grants, Reimbursements & Contributions	
Recharges to Other Services	(5,654)
Rents	
Sales	(1,777)
Total INCOME	**(7,851)**
NET EXPENDITURE	**13,860**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Health & Wellbeing - Our Service Strategy

Welcome to our Service Strategy, which shows how Health & Wellbeing will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It 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 & Wellbeing work with communities, a range of partners 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 & 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.

Meet the team:

Jonathan Rowe
Executive Director:
Adult Social Care, Health Integration & Wellbeing

Liz Noakes
Director:
Health & Wellbeing

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 managing demand through an integrated whole-system approach
- Develop and co-ordinate partnership strategies across partners to tackle such issues as domestic abuse and drugs and alcohol misuse that will make a difference to the wellbeing of vulnerable residents
- Provide Healthcare Public Health advice to the local Integrated Care System

Louise Mills, Health Improvement & Libraries

- Deliver our Healthy Lifestyle Service
- Partner with the voluntary and community sector to build community capacity to deliver health improvement and prevention programmes
- Work with partners to create places that encourage healthier lives
- Support the NHS, the Council and other partners in a whole-system approach to make improving well-being and tackling inequalities everybody's business and to help manage demand
- 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 & Safety team, Health Protection hub, Corporate Health & 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 & Safety team protects health, safety, economic and environmental wellbeing and quality of life through monitoring and management of food & water and safety and infectious diseases.
- Our internal Health & Safety team provides competent health & 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
  - o Ensure the Council is able to operate critical services during an emergency or business continuity event

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 – 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 & 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 & 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 create a library offer for our residents that is vibrant, sustainable 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 – health inequalities will reduce through the development and implementation of the Telford & Wrekin Inequalities Action Plan, working collaboratively across the Council and Health & 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 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 & 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 & water and safety compliance within the borough
- Reducing the harm caused by infectious diseases such as Covid-19
- 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 & well at work
- Increasing reach and engagement of public health messaging to protect yourself, your family and your business

OUR ACHIEVEMENTS

The Health Protection Hub has **contact traced over 24,058 cases** and dealt with **994 outbreaks of Covid-19**

Delivered **3,800+ vaccines** at Betty & pop ups and narrowing the gap in covid immunisation uptake

Alcohol and drug treatment outcomes better than the national average and within the **top 20% best LAs** in the country

Delivered **XXXXX food safety visits** and thereby reaching the Food Standard Agency Recovery target **6 months ahead of schedule**

Achievement details to be supplied

Improving rates of physical activity amongst children & young people (53% TW vs 47% nationally)

Achievement details to be supplied

LET'S GET TELFORD HEALTHY

Supported **XXXXX residents to make steps to improve their lifestyle**

Achievement details to be supplied

The table below shows the original revenue budget for 2022/23 for the Health, Wellbeing & Commissioning directorate.

EXPENDITURE £'000

Employees	3,488
Premises	39
Supplies & services	9,176
Support services	1,375
Third party payments	(30)
Transfer payments	
Transport	23
Capital financing	
Total EXPENDITURE	**14,071**

INCOME £'000

Interest receipts	
Fees & charges	(31)
Government grants	(10,732)
Other grants, reimbursements & contributions	(60)
Recharges to other services	(886)
Rents	
Sales	(149)
Total INCOME	**(11,858)**
NET EXPENDITURE	**2,213**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Housing, Employment & Infrastructure - Our Service Strategy

Welcome to our Service Strategy, which shows how Housing, Employment & Infrastructure 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, 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 & 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, direct engagement with housing associations and developers shaping the market to deliver housing that reflects the needs of all our communities including our most vulnerable, and driving up the quality and condition of housing across all tenures.

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. 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 inequality, climate change, housing need and regeneration influencing the growth of the Borough over the next 20+ years.

Angie Astley
Executive Director: Housing Communities & Customer Services

Katherine Kynaston
Director: Housing, Employment & Infrastructure

Meet the team:

Kathy Mulholland, Business Support & 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 a range of economic investment programmes including UKSPF

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.
- Delivering Everyone In for Good – the Council's commitment to address Rough Sleeping
- Working across services to develop support for those fleeing domestic violence 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 wellbeing 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 & 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, children 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.
- Tackling the number of long term empty properties across the Borough
- 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 2022/23 for the Housing, Employment & Infrastructure directorate.

EXPENDITURE £'000

Employees	3,025
Premises	88
Supplies & services	1,153
Support services	1,309
Third party payments	618
Transfer payments	
Transport	17
Capital financing	
Total EXPENDITURE	**6,210**

INCOME £'000

Interest receipts	
Fees & charges	(63)
Government grants	(1,184)
Other grants, reimbursements & contributions	(195)
Recharges to other services	(1,284)
Rents	(764)
Sales	(742)
Total INCOME	**(4,232)**
NET EXPENDITURE	**1,978**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

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 disabiled 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 'no return to rough sleeping'

- Number of rough sleepers offered and accepted emergency accommodation
- number of rough sleepers offered emergency accommodation but declined

Delivery of Telford Housing First

Increasing the number of people provided with help and advice on their housing options

Increasing the number of clients prevented or relieved from homelessness

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

Adopting a new 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 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 accomodation 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 via development of a new supply chain app (Hello Telford)

Delivering Place Delivery 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

Reframing and re-launching the Telford investment offer to the market

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

Lobbying and bidding for further Government investment to support Levelling Up including via UKSPF and LUF

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 which is currently over represented

Continue to support businesses to raise their profile locally by helping them create engaging video and other marketing content that reflects what they do in a positive light

Increase the direct engagement of businesses with hard to reach communities through the Work Local initiative

Tackle barriers to employment by working with the Council's Transport Service to create a workable transport solution 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

Providing **emergency accommodation to 580 people roughsleeping** or threatened with roughsleeping and providing **long term housing solutions for 465** since March 2020

Delivering
23 Telford 'First Homes'
supporting ex Roughsleepers
to rebuild their lives

Bringing
45 long term empty properties
back into use

Bringing
£3m+ 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

Protect, care and invest to create a better borough

Welcome to Neighbourhood & Enforcement Services - Our Service Strategy

Welcome to our Service Strategy, which shows how Neighbourhood and Enforcement Services 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 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:

Neighbourhood & 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 borough for everyone.

Angie Astley
Executive Director:
Housing, Communities
& Customer Services

Dean Sargeant
Director:
Neighbourhood &
Enforcement Services

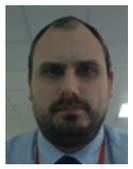
Meet the team:

Anita Hunt, Group Manager: Public Protection

- The Trading Standards and Licensing Trading Standards team support local business and protect consumers by explaining legislation around regulation.
- 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.
- Neighbourhood Enforcement 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 & Highway Network Management

- The Passenger Transport team provide transport services for vulnerable adults accessing My Options service and children going to our local schools as well as providing community transport such as dial a ride.
- 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.
- Our Road Safety & Traffic Team develop and deliver both active travel and safety schemes such as safe routes to school and traffic engineering projects to enhance road safety for all users. This is complimented by delivery of Road Safety Education training including Bikeability, Stepping Out & Independent Travel Training. The implementation of Intelligent Transport Systems including Traffic signals, CCTV and digital signing is key function of this team.
- The Streetworks & 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 & Project Delivery

- The team undertake regular highway safety inspections to keep our highway safe for all users and work in partnership with our highways maintenance contractor Balfour Beatty to deliver reactive highway maintenance such as pothole repairs.
- Winter Maintenance (gritting of roads and footpaths) is also managed by this team who provide 24-hour emergency response throughout the year alongside managing flood risk and flood response across the Borough.
- The team are responsible for management of the highway assets roads, footpaths, structures, street lighting and drains and manage a variety of highway and engineering projects. Land stability in the Gorge, decommissioned landfill sites and inspection of spoil mounds across the borough is also a key part of delivery.
- The team offer a variety of other Civil Engineering Services to internal and external clients which includes ground investigations, site surveys, design, project management and site supervision.
- The team works in partnership with Balfour Beatty to deliver schemes and associated services.

Debbie Germany, Service Delivery Manager: Strategic Waste & 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, this 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 & 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.
- Working with communities and partners, the team also deliver a variety of Pride in our Community initiatives as well as investments into our Parks, Open Spaces and Play Areas.
- 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 & Cohesive Communities

- This team is responsible for the delivery of the Building Safer & 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 have delivered, and continue to support, 'Safer Streets' investments while delivering initiatives that support of Violence Against Women and Girls.
- As a key part of the Community Safety Partnership, this team supports different council services and public sector agencies to create a multi-functional team, to tackle issues of Crime, Disorder, illegal parking and Anti-Social Behaviour within our borough towns and communities.
- The team also leads on supporting various government refugee/evacuation programmes including Syrian, Afghan and Ukraine as well as Prevent.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

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 the borough's household recycling rate
- Increase in the usage of Bulk Collection Service
- Decrease the number of fly tips reported
- Decrease in the number of anti-social behaviour reports

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
- Increase in the number of road safety courses completed
- Monitoring and improving air quality

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
- Decreased in the number of missed household waste collections
- Maximising social value commitments from partners
- Increase the number of electric vehicles used in service delivery (including 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:

- Percentage of residents that feel their neighbourhood is a safe place to live
- Highway safety is improved for all users
- Completion of multi-agency enforcement exercises undertaken with partners

OUR ACHIEVEMENTS

Household recycling has increased to 48.2%
well above the England rate

Wharfage Flood Resilience Scheme won
small project of the year at the 2022 IHE Awards

Supported **29 MATES operations**

Completed **over 4,700 fly tipping investigations**

Delivered **Brookside Safer Streets** that has seen a **15% reduction in crime**

Established **Friday Night Football project with over 120 12-16 year olds attending each week**

Planted **over 5,700 trees/whips**

Supported **over 300 evacuees** arriving in Telford

Secured **8 new lower emission latest technology Fleet Transport vehicles**

The table below shows the original revenue budget for 2022/23 for the Neighbourhood & Enforcement Services directorate.

EXPENDITURE £'000	
Employees	6,064
Premises	1,763
Supplies & services	4,216
Support services	3,756
Third party payments	18,996
Transfer payments	
Transport	272
Capital financing	5,809
Total EXPENDITURE	**40,876**

INCOME £'000	
Interest receipts	
Fees & charges	(720)
Government grants	(461)
Other grants, reimbursements & contributions	(1,004)
Recharges to other services	(2,088)
Rents	(391)
Sales	(5,239)
Total INCOME	**(9,903)**
NET EXPENDITURE	**30,973**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Policy & Governance - Our Service Strategy

Welcome to our Service Strategy, which shows how Policy and Governance 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

Policy & 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, Organisational Delivery & Development Team

- Delivery & Performance is responsible for working with and supporting SMT to deliver the Council's Workforce Development Strategy. This includes the following:
  - Service and workforce planning
  - Performance Management of Council Plan
  - Wellbeing of Employees and the Wellies at Work Group
  - Internal Communications
  - Employer of Choice (inc. employee benefits and discounts)
- Learning & Development is responsible for 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
- 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 Board and Armed Forces Covenant
- Research & Intelligence focus on developing an evidence base for the whole organisation to support strategic planning, workforce development and the delivery of 'Being the Change'. This includes performance data and information about the Borough.

David Sidaway
Chief Executive

Anthea Lowe
Associate Director: Policy & Governance

Kirsty Fisher, People Team, Legal Services

- The People Team within Legal Services provides legal support, advice and representation in relation to Children's Safeguarding, Adult Services, Special Educational Needs, Education, Licensing, Regulatory and Enforcement matters. The Places Team within Legal Services provides legal support and advice in respect of property transactions, contracts, procurement, planning, highways and rights of way. Both 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 provide a support function to the Legal Services team by ensuring an effective risk management framework is in operation, providing quality assurance and administrative support

Photo to be supplied

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

- Job Evaluation is responsible for carrying out job evaluations and also for delivering the single status project

Rob Montgomery, Audit & 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 organisation

Vacant, Democratic & Scrutiny Services Team

- Democratic Services provides support to the Mayor and Members by way of training 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

Photo to be supplied

SMT and Cabinet Support Teams

- Provide comprehensive administrative support to Senior Management Team and Cabinet Members

Photo to be supplied

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

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 Constitution, Scheme of Delegation and decision-making

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 effectiveness of scrutiny
- 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 supported employment posts
- 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 2019/2020

Achieved first Landlord **Banning Order** in England preventing a rogue landlord from renting out properties

Completed contract documentation for the provision of a Regional Adoption Agency

Remote meeting protocol one of the best

Highest ever level of election registrations **133k**

disability confident EMPLOYER

Re-accredited as a **disability confident employer**

Joint Domestic Abuse

Conference held for **100+ practioners**

Ring fenced apprentice program for care leavers

Ofsted Outstanding Provider

Successful support to OFSTED inspection to achieve **Outstanding judgement**

The table below shows the original revenue budget for 2022/23 for the Policy & Governance directorate.

EXPENDITURE £'000	
Employees	4,095
Premises	8
Supplies & services	2,159
Support services	1,390
Third party payments	
Transfer payments	
Transport	12
Capital financing	6
Total EXPENDITURE	**7,670**

INCOME £'000	
Interest receipts	
Fees & charges	
Government grants	
Other grants, reimbursements & contributions	(57)
Recharges to other services	(6,177)
Rents	
Sales	(555)
Total INCOME	**(6,789)**
NET EXPENDITURE	**881**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Welcome to Prosperity & Investment - Our Service Strategy

Welcome to our Service Strategy, which shows how Prosperity & Investment 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 highlights), 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

James Dunn
Director: Prosperity & 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 infrastructure upgrades 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 and highway legislation

Dawn Toy, Estates & Investments

- Management of Council owned investment properties (PIP)
- Management of Land/property disposal programme and Homes England Land Deal
- Delivery of Growth Fund investments
- Maintenance of the Council's Asset Register

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 facitilate independent living

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

OUR ACHIEVEMENTS

Secured
£22.3m of Towns Investment Funding
towards transformational regeneration schemes in Station Quarter, Oakengates & Wellington

Secured:
£450K Salex funding
for thermal upgrade and air source heat pump to de carbonise Newport Swimming and Leisure Centre - completion July 2022; and
£25K of SEPUBU monies
for installation of LED lighting and electric vehicle charging points at Horsehay Golf and Leisure Centre

Completed the refurbishment of the first Telford & Wrekin Homes
breathing new life into existing properties within the borough

Determination of over 95% of planning applications
during 2021/22 within the statutory timescales

Disposal of land at North Road, Wellington
to support the development of a **new Dementia Care Facility** to meet the needs of our housing strategy

Completed the **refurbishment of a new Workplace hub at New Street Telford**
providing bookable drop down and **collaborative workspace** to the private sector

Secured planning and extension underway for £10m expansion of Holy Trinity Academy, Priorslee including **300 additional places** and **4G all weather sports pitch**

Delivery of 24 new Enterprise and Incubation Units at NiPark creating **new employment floorspace**, **new jobs** and **revenue income** to the Council via its Property Investment portfolio

Submission of planning applications for a Phase 2 development at NiPark and Plot 12 Hortonwood West to facilitate the delivery of **new employment floorspace** and **job creation**

The table below shows the original revenue budget for 2022/23 for the Prosperity & Investment directorate.

EXPENDITURE £'000

Employees	6,612
Premises	7,888
Supplies & services	1,291
Support services	2,360
Third party payments	355
Transfer payments	
Transport	137
Capital financing	2,453
Total EXPENDITURE	**21,096**

INCOME £'000

Interest receipts	
Fees & charges	(598)
Government grants	(7)
Other grants, reimbursements & contributions	(25)
Recharges to other services	(8,415)
Rents	(9,479)
Sales	(9,126)
Total INCOME	**(27,650)**
NET EXPENDITURE	**(6,554)**

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 5 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 – 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 guarantee sites

Unlocking funding opportunities from external stakeholders and investing in a range of green infrastructure across the borough

Delivering My Wild Telford, a platform to inform residents about our wildlife, open spaces and opportunity to promote 'Friends Of' groups

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 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:

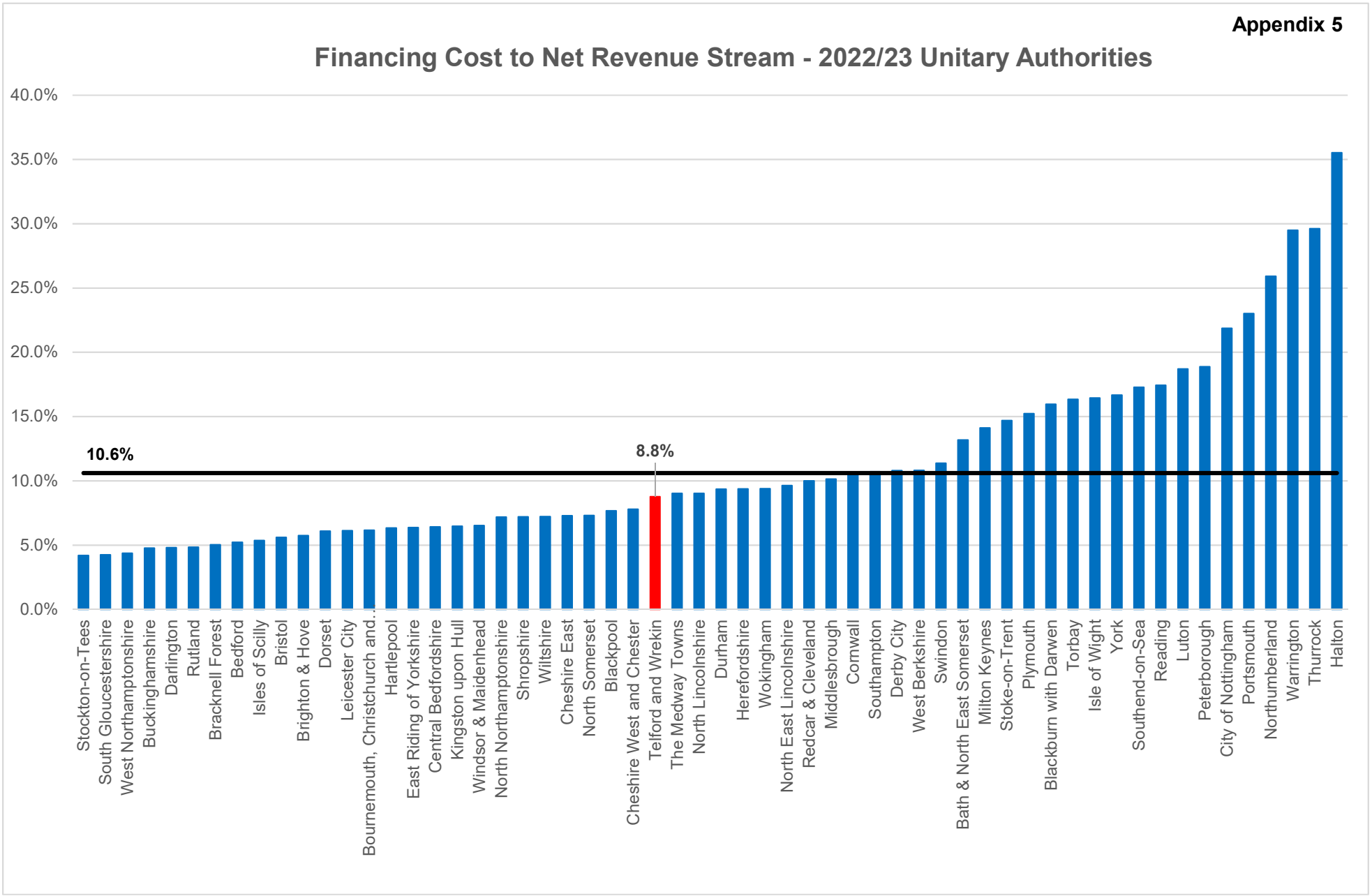
Effective and efficient regulatory functions that meet national standards relating to planning and building control

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 - 2022/23 Unitary Authorities
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
10.6%
8.8%
Stockton-on-Tees
South Gloucestershire
West Northamptonshire
Buckinghamshire
Darlington
Rutland
Bracknell Forest
Bedford
Isles of Scilly
Bristol
Brighton & Hove
Dorset
Leicester City
Bournemouth, Christchurch and...
Hartlepool
East Riding of Yorkshire
Central Bedfordshire
Kingston upon Hull
Windsor & Maidenhead
North Northamptonshire
Shropshire
Wiltshire
Cheshire East
North Somerset
Blackpool
Cheshire West and Chester
Telford and Wrekin
The Medway Towns
North Lincolnshire
Durham
Herefordshire
Wokingham
North East Lincolnshire
Redcar & Cleveland
Middlesbrough
Comwall
Southampton
Derby City
West Berkshire
Swindon
Bath & North East Somerset
Milton Keynes
Stoke-on-Trent
Plymouth
Blackburn with Darwen
Torbay
Isle of Wight
York
Southend-on-Sea
Reading
Luton
Peterborough
City of Nottingham
Portsmouth
Northumberland
Warrington
Thurrock
Halton

APPENDIX 6

Usable Balances at 1 April 2026

			Balance at 01-Apr-26 £m
Total Reserves and Balances			62.22
Less Commitments/Earmarked Funds:			
School Funds	Balances held on behalf of schools; therefore not available to the Council	-	6.83
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership and PVI Early Years sector	-	0.06
Grant funding	Grant funding received and fully committed in the budget strategy	-	2.36
Insurance Reserves	Required to cover policy excesses and other costs such as claims prior to 1998 (unitary)	-	0.51
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund		-
Other Corporate Items	For Example ITS/Capacity Fund, severance fund	-	6.33
Single Status	Provision for equal pay settlement	-	8.92
Other Provisions	For example Bad Debt Provision and Pride Funding Reserve	-	2.46
Investment Fund	Investment in Council Priorities Fund		-
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken	-	2.32
Residual General Working Balances			**32.44**
Made up of:			
One Off Funds	Identified to support the Medium Term Budget Strategy		27.70
One Off Funds	General/Special Fund Balances		4.73
			32.44
Required to meet the budget gap in 2023/24 - N.B. This is entrely funded from the review of reserves and provisions carried out on Autumn 2022 and therefore does not reduce the balance in the Council's main Budget Strategy Reserve.			(5.95)
Residual Balance			26.49
Made up of:			
One Off Funds	**Identified to support the Medium Term Budget Strategy in future years**		**21.75**
One Off Funds	General/Special Fund Balances		4.73
			26.49

SCHEDULE OF PROVISIONS, RESERVES AND BALANCES

Service Area	Description	31.3.22 BALANCE FOLLOWING REVIEW	Estimated Change during 2022/23	Estimated Closing Balance 31/3/2023	Estimated Change during 2023/24	Estimated Closing Balance 31/3/2024	Estimated Change 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	Purpose
Safeguarding & Family Support	Children's Services	(368,751.96)	368,751.96	0.00	0.00	0.00		0.00		0.00		0.00	Planned funding of Family Safeguarding Model
Safeguarding & Family Support	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	Unaccompanied Asylum Seekers	(128,277.11)	40,000.00	(88,277.11)	60,000.00	(28,277.11)	28,277.11	0.00		0.00		0.00	To offset costs incurred supporting unaccompanied asylum seekers
Safeguarding & Family Support	University Students	(48,810.84)	20,000.00	(28,810.84)	15,000.00	(13,810.84)	13,810.84	0.00		0.00		0.00	To fund the training of students on placements with the LA.
Safeguarding & Family Support	Troubled Families Programme	(38,785.13)	20,000.00	(18,785.13)	18,785.13	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	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	Migration Grant	(9,500.00)	9,500.00	0.00	0.00	0.00		0.00		0.00		0.00	To assist in supporting migratory families, develop community links, so that unaccompanied asylum seekers can be supported in the local area.
Safeguarding & Family Support	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	Staying Put	(12,706.29)	6,000.00	(6,706.29)	6,706.29	0.00		0.00		0.00		0.00	Funding for duty on local authorities to support young people to continue to live with their former foster carers once they turn 18 (the 'Staying Put' duty)
Safeguarding & Family Support	Safeguarding Misc Grants Control Account	(12,340.00)	3,000.00	(9,340.00)	3,000.00	(6,340.00)	3,000.00	(3,340.00)	3,340.00	0.00		0.00	To fund various posts within the service
Safeguarding & Family Support	NAAS Grant Income	(50,071.47)	20,000.00	(30,071.47)	20,000.00	(10,071.47)	6,091.47	(3,980.00)	3,980.00	0.00		0.00	Funding to support implementation of the National Assessment & Accreditation system
Safeguarding & Family Support	Future Social	(14,051.09)	7,000.00	(7,051.09)	7,051.09	0.00		0.00		0.00		0.00	External funding to support staffing to undertake work related to the outcomes required
Safeguarding & Family Support	New Burdens - Personal Advisors	(64,796.52)	11,479.97	(53,316.55)	20,000.00	(33,316.55)	20,000.00	(13,316.55)	13,316.00	(0.55)		(0.55)	Funding to provide personal advisors to support care leavers moving into adulthood
Safeguarding & Family Support	Family Safeguarding Model	(266,118.00)	41,338.00	(224,780.00)	224,780.00	0.00	0.00	0.00		0.00		0.00	Funding to support implementation of the Family Safeguarding model.
Safeguarding & Family Support	Local Safeguarding Board	(112,200.32)	17,000.00	(95,200.32)	17,000.00	(78,200.32)	17,000.00	(61,200.32)	17,000.00	(44,200.32)	17,000.00	(27,200.32)	T&W Share of Partnership reserve to support the work of the Local Safeguarding Board
Safeguarding & Family Support	Social Work Grant	(3,983.13)	3,983.13	0.00		0.00		0.00		0.00		0.00	Grant funding to support specific posts within the service
		(1,181,776.44)	**616,197.64**	**(565,578.80)**	**395,562.51**	**(170,016.29)**	**88,179.42**	**(81,836.87)**	**37,636.00**	**(44,200.87)**	**17,000.00**	**(27,200.87)**	
Education & Skills	Early Years facilities	(47,872.04)	3,000.00	(44,872.04)	3,000.00	(41,872.04)	3,000.00	(38,872.04)	3,000.00	(35,872.04)	3,000.00	(32,872.04)	Ring fenced fund for PVIs in the early years sector, used to pay for refurbishments and R&M on early years provision.
Education & Skills	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. May be needed to assist Oakengates.
Education & Skills	Stop Loss Provision	(500,022.33)	50,000.00	(450,022.33)	50,000.00	(400,022.33)	50,000.00	(350,022.33)		(350,022.33)		(350,022.33)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs as appropriate
Education & Skills	Closed schools provision held against possible cost of implementation of single status	(131,177.98)	0.00	(131,177.98)	0.00	(131,177.98)		(131,177.98)		(131,177.98)		(131,177.98)	Residual balances from closed schools to cover potential future liabilities. May also be used to support future costs arising from academy conversions etc
Education & Skills	Education Welfare Balance	(75,329.75)	25,000.00	(50,329.75)	21,695.89	(28,633.86)	15,000.00	(13,633.86)	13,633.86	0.00		0.00	To fund training and resource costs associated with education welfare services
Education & Skills	Schools reserves held against possible deficits arising on schools conversion to academy status	(315,552.82)	100,000.00	(215,552.82)	46,709.70	(168,843.12)		(168,843.12)		(168,843.12)		(168,843.12)	Monies carried forward as a reserve against the possible unfavourable balance on schools conversions to academy status.
Education & Skills	Youth Unemployment	(638,379.84)	510,000.00	(128,379.84)	128,379.84	0.00		0.00		0.00		0.00	Continuation of Tackling Youth unemployment for 21/22 and 22/23
Education & Skills	SEN Review Reserve	(28,938.91)	15,000.00	(13,938.91)	8,938.91	(5,000.00)	5,000.00	0.00		0.00		0.00	To provide additional resources to be allocated to the rapidly growing area of post 16-25 SEN
Education & Skills	Arthog Trading Provision	(18,398.40)	6,564.17	(11,834.23)	11,834.23	0.00		0.00		0.00		0.00	Improvement and development at Arthog Outdoor Education Centre
Required to meet the budget gap in 2023/24 - N.B. This is entrely funded	Early Years Grants	(60,182.46)	20,000.00	(40,182.46)	20,000.00	(20,182.46)	20,182.46	0.00		0.00		0.00	Support of services
Education & Skills	Lifelong Learning Grant	(544,116.79)	113,581.20	(430,535.59)	100,000.00	(330,535.59)	100,000.00	(230,535.59)		(230,535.59)		(230,535.59)	Grant cfwd to support this activity - spans academic year. Usually received around 500k per AY of which approx 450k is spent and the balance is repaid.
Education & Skills	Coronavirus (COVID-19) catch-up premium C/A	(80,758.12)	80,758.12	0.00		0.00		0.00		0.00		0.00	Funding for pupils with EHC plans educated in independent special schools
Education & Skills	Moderation Grant	(18,574.80)	9,000.00	(9,574.80)	9,574.80	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	Virtual School Heads Grant	(166,672.05)	7,616.51	(159,055.54)		(159,055.54)	60,000.00	(99,055.54)	40,000.00	(59,055.54)	20,000.00	(39,055.54)	Balance of grant, allocated to support the role of the Virtual School Head.
		(2,675,128.01)	**940,520.00**	**(1,734,608.01)**	**449,285.09**	**(1,285,322.92)**	**253,182.46**	**(1,032,140.46)**	**56,633.86**	**(975,506.60)**	**23,000.00**	**(952,506.60)**	
Schools	Revenue and Capital Balances held by schools for ongoing expenditure	(10,947,783.64)	3,000,000.00	(7,947,783.64)	2,000,000.00	(5,947,783.64)	1,000,000.00	(4,947,783.64)	1,000,000.00	(3,947,783.64)	1,000,000.00	(2,947,783.64)	This represents school balances held by the LA only. It includes the balances on the balances on collaborative schemes administered by maintained schools.
Schools	Schools provision held against possible cost of implementation of single status	(3,471,492.46)	15,000.00	(3,456,492.46)	15,000.00	(3,441,492.46)	15,000.00	(3,426,492.46)	15,000.00	(3,411,492.46)	15,000.00	(3,396,492.46)	Provision for Single Status costs in schools and DSG centrally funded staff. Use of this dependant on final implementation of SS.
		(14,419,276.10)	**3,015,000.00**	**(11,404,276.10)**	**2,015,000.00**	**(9,389,276.10)**	**1,015,000.00**	**(8,374,276.10)**	**1,015,000.00**	**(7,359,276.10)**	**1,015,000.00**	**(6,344,276.10)**	
Finance & HR	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)		(2,899.92)	Committed to Financial Management system development
Finance & HR	Council Tax Liability Order refund Reserve	(87,577.26)		(87,577.26)		(87,577.26)		(87,577.26)		(87,577.26)		(87,577.26)	To cover potential future liabilities
Finance & HR	Revenues Reserve	(372,327.68)	56,445.00	(315,882.68)	56,445.00	(259,437.68)	56,445.00	(202,992.68)	56,445.00	(146,547.68)	56,445.00	(90,102.68)	To fund posts in staffing budget and one off additional Northgate costs
Finance & HR	Resource Link Reserve	(296,306.73)	175,000.00	(121,306.73)	50,000.00	(71,306.73)	50,000.00	(21,306.73)	21,306.73	0.00		0.00	To fund implementation costs of Resourcelink HCM Cloud in 22/23 and further system developments in future years
Finance & HR	Finance Workforce Development Reserve	(38,891.33)	5,000.00	(33,891.33)	5,000.00	(28,891.33)	5,000.00	(23,891.33)	5,000.00	(18,891.33)	5,000.00	(13,891.33)	Training and development costs of Finance staff
		(813,002.92)	**241,445.00**	**(571,557.92)**	**116,445.00**	**(455,112.92)**	**116,445.00**	**(338,667.92)**	**82,751.73**	**(255,916.19)**	**61,445.00**	**(194,471.19)**	

Service Area	Description	31.3.22 BALANCE FOLLOWING REVIEW	Estimated Change during 2022/23	Estimated Closing Balance 31/3/2023	Estimated Change during 2023/24	Estimated Closing Balance 31/3/2024	Estimated Change 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	Purpose
Prosperity & Investment	PIP Reserve Contribution Account	(661,009.08)	596,000.00	(65,009.08)	65,009.08	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	Dilapidations - PIP	(410,079.77)	76,000.00	(334,079.77)	150,000.00	(184,079.77)	134,079.77	(50,000.00)	50,000.00	0.00		0.00	To meet costs of required dilapidations for specific properties.
Corporate	Accommodation Reserves (ICT)	(930,179.91)	550,000.00	(380,179.91)		(380,179.91)		(380,179.91)		(380,179.91)		(380,179.91)	
Prosperity & Investment	Granville House	(1,177.80)	1,177.80	0.00		0.00		0.00		0.00		0.00	To be utilised as part of accommodation strategy
Prosperity & Investment	Development Planning System	(140,600.00)	88,500.00	(52,100.00)	52,100.00	0.00		0.00		0.00		0.00	Upgrade of current system and review as to sustainability and suitability
Prosperity & Investment	Planning Appeal costs	(46,623.50)	46,623.50	0.00		0.00		0.00		0.00		0.00	Set aside for legal costs associated with planning appeals.
Prosperity & Investment	Housing Investment Programme	(170,920.00)	54,780.00	(116,140.00)	40,000.00	(76,140.00)	40,000.00	(36,140.00)	36,140.00	0.00		0.00	Reserve for Housing investment costs council side.
Prosperity & Investment	HCA Liability Fund	(5,493,868.07)	2,596,604.00	(2,897,264.07)	1,623,288.00	(1,273,976.07)	1,273,976.07	0.00		0.00		0.00	Land Deal Funds; includes constrained sites funding; liability sites funding and profit share
Prosperity & Investment	World Heritage Lottery Fund	(5,000.00)	5,000.00	0.00		0.00		0.00		0.00		0.00	contribution towards bid costs
Prosperity & Investment	Accommodation	(14,762.40)	14,762.40	0.00		0.00		0.00		0.00		0.00	To be used to support Accommodation Strategy & LED lighting.
Prosperity & Investment	Master planning	(149,884.45)	149,884.45	0.00		0.00		0.00		0.00		0.00	To support development of site planning options
Prosperity & Investment	Custom Build Land Duty Grant	(47,898.93)	25,000.00	(22,898.93)	22,898.93	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	PIP – Ageing PIP properties sinking fund	(147,000.00)	147,000.00	0.00		0.00		0.00		0.00		0.00	Roof works across a number of buildings
Prosperity & Investment	S31- Biodiversity Net Gain Grant	(20,094.00)	20,094.00	0.00		0.00		0.00		0.00		0.00	Specific grant to implement process to monitor Net Biodiversity gain.
Prosperity & Investment	Heat Networks - HNDU	(9,000.00)	9,000.00	0.00		0.00		0.00		0.00		0.00	Match funding for Project
Prosperity & Investment	Great Crested Newts	(192,362.72)	10,000.00	(182,362.72)	10,000.00	(172,362.72)	10,000.00	(162,362.72)	10,000.00	(152,362.72)	152,362.72	0.00	Funding to support the creation and ongoing maintenance of ponds associated with development and planning requirements.
Prosperity & Investment	SEDN Ecological Data	(30,168.57)	22,037.00	(8,131.57)	8,131.57	0.00		0.00		0.00		0.00	To fund ecological data collection
		(8,470,629.20)	**4,412,463.15**	**(4,058,166.05)**	**1,971,427.58**	**(2,086,738.47)**	**1,458,055.84**	**(628,682.63)**	**96,140.00**	**(532,542.63)**	**152,362.72**	**(380,179.91)**	
Policy & Governance	Insurance - Self Insurance Fund	(1,307,409.82)	160,000.00	(1,147,409.82)	160,000.00	(987,409.82)	160,000.00	(827,409.82)	160,000.00	(667,409.82)	160,000.00	(507,409.82)	Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.
Policy & Governance	Elections Equalisation Reserve	(173,355.36)	40,000.00	(133,355.36)	40,000.00	(93,355.36)	25,000.00	(68,355.36)	25,000.00	(43,355.36)	25,000.00	(18,355.36)	Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.
Policy & Governance	CSE Funding Reserve	(1,000,000.00)	1,000,000.00	0.00	0.00	0.00		0.00		0.00		0.00	Funding to support CSE Inquiry.
Policy & Governance	Single Status Project Team	(33,377.15)	9,000.00	(24,377.15)	9,000.00	(15,377.15)	9,000.00	(6,377.15)	9,000.00	2,622.85	9,000.00	11,622.85	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation
Policy & Governance	Legal Reserve	(71,745.00)	41,000.00	(30,745.00)	55,745.00	25,000.00		25,000.00		25,000.00		25,000.00	For standards investigations and Legal Staffing
Policy & Governance	Member Dvpt Reserve	(32,000.00)	0.00	(32,000.00)	15,000.00	(17,000.00)	15,000.00	(2,000.00)	12,000.00	10,000.00		10,000.00	To be spent on training and equipment as required
Policy & Governance	Organisational Development Training Reserve	(323,485.17)	52,000.00	(271,485.17)	52,000.00	(219,485.17)	52,000.00	(167,485.17)	52,000.00	(115,485.17)	52,000.00	(63,485.17)	To fund the corporate training programme for the Council
Policy & Governance	Delivery & Planning Reserve	(89,497.26)	70,000.00	(19,497.26)	29,497.26	10,000.00	20,000.00	30,000.00		30,000.00		30,000.00	To be used to fund the Management & Leadership programme to enable - people centric organisation, an employer of choice and a 'family'.
Policy & Governance	Boundary Review	(40,000.00)	40,000.00	0.00		0.00		0.00		0.00		0.00	To support costs of the Boundary Review & other requests
Policy & Governance	Ward Member Newsletter	(100,000.00)	100,000.00	0.00		0.00		0.00		0.00		0.00	Anticipate being fully spent in 22/23.
		(3,170,869.76)	**1,512,000.00**	**(1,658,869.76)**	**361,242.26**	**(1,297,627.50)**	**281,000.00**	**(1,016,627.50)**	**258,000.00**	**(758,627.50)**	**246,000.00**	**(512,627.50)**	
Health & Wellbeing	Joint Commissioning Balance	(87,335.88)	87,335.88	0.00	0.00	0.00		0.00		0.00		0.00	To support ongoing structure to deliver savings in key areas
Health & Wellbeing	Sponsorship Fund (Rachel Threadgold)	(59,564.65)	24,000.00	(35,564.65)	20,564.65	(15,000.00)	15,000.00	0.00	0.00	0.00	0.00	0.00	Retained for Various Community Health & Wellbeing Projects
Health & Wellbeing	Public Health Grant	(2,445,440.33)	678,139.00	(1,767,301.33)	547,566.00	(1,219,735.33)	348,707.00	(871,028.33)	253,702.00	(617,326.33)	20,883.00	(596,443.33)	Ring Fenced Reserve from Public Health Grant. LN has plan within PH strategy for use of this fund
Health & Wellbeing	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
Health & Wellbeing	Domestic Abuse Reserve	(50,000.00)	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	MHCLG grant received for capacity building in advance of the new Domestic Abuse Bill
Health & Wellbeing	Suicide Prevention Reserve	(20,371.32)	20,371.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NHS Funding to support Suicide Prevention Programme
Health & Wellbeing	Mental Health Initiatives	(86,453.00)	86,453.00	0.00		0.00		0.00		0.00		0.00	ICB monies to be spend in MH
Health & Wellbeing	TWC Reserve - Covid Outbreak Fund Investment & Health Inequalities	(764,414.00)	573,429.78	(190,984.22)	190,984.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	TWC reserve in addition to grant to support Council wide ongoing Covid response commitments.
Health & Wellbeing	Covid Grants	(1,208,570.22)	1,208,570.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Balance of covid grant & Test & Trace Grant to support Council Wide ongoing Covid response commitments
		(4,751,710.40)	**2,757,860.20**	**(1,993,850.20)**	**759,114.87**	**(1,234,735.33)**	**363,707.00**	**(871,028.33)**	**253,702.00**	**(617,326.33)**	**20,883.00**	**(596,443.33)**	
Adult Social Care	Adult Social Care Initiatives	(161,928.18)	107,000.00	(54,928.18)	15,000.00	(39,928.18)	15,000.00	(24,928.18)	24,928.18	0.00		0.00	Monies committed to specific areas of partnership work i.e Autism strategy
Adult Social Care	Transforming Social Care	(27,398.93)	13,230.00	(14,168.93)	14,168.93	0.00		0.00		0.00		0.00	Supporting short term impacts Implementation of restructure
Adult Social Care	Transformation Posts Reserve	(200,009.12)	87,969.00	(112,040.12)	43,928.00	(68,112.12)	68,112.12	0.00		0.00		0.00	To support staffing
Adult Social Care	My Options	(54,528.57)	54,528.57	0.00	0.00	0.00		0.00		0.00		0.00	To support service development
Adult Social Care	Change Programme	(133,508.71)	93,508.71	(40,000.00)	40,000.00	0.00		0.00		0.00		0.00	To support capacity to deliver CIP initiatives, support for training, Smart House
Adult Social Care	Winter Pressures	(81,679.83)	51,157.83	(30,522.00)	30,522.00	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	Care Legislation	(84,027.75)	84,027.75	0.00	0.00	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	Capacity Building Projects	(75,141.49)	54,141.49	(21,000.00)	21,000.00	0.00		0.00		0.00		0.00	Required to meet capacity issues, training support, policy updates
Adult Social Care	BCF/TCP Section 75 Agreement Pooled Fund Reserve	(979,346.72)	979,346.72	0.00	0.00	0.00		0.00		0.00		0.00	In place for mitigation of any financial risks associated with TCP.
Adult Social Care	BCF Reserve	(1,168,720.14)	1,168,720.14	0.00		0.00		0.00		0.00		0.00	Committed to BCF with significant pressures in reablement
Adult Social Care	Safeguarding & Strategic Management	(29,587.28)	29,587.28	0.00	0.00	0.00		0.00		0.00		0.00	To support legal fees and DOLS costs
Adult Social Care	iBCF	(163,968.37)	66,969.00	(96,999.37)	96,999.37	0.00		0.00		0.00		0.00	Support of staffing to support the delivery of integrated care services and processes.

Service Area	Description	31.3.22 BALANCE FOLLOWING REVIEW	Estimated Change during 2022/23	Estimated Closing Balance 31/3/2023	Estimated Change during 2023/24	Estimated Closing Balance 31/3/2024	Estimated Change 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	Purpose
Health & Wellbeing	Carers Services	(29,500.24)	0.00	(29,500.24)	0.00	(29,500.24)		(29,500.24)		(29,500.24)		(29,500.24)	
		(3,189,345.33)	**2,790,186.49**	**(399,158.84)**	**261,618.30**	**(137,540.54)**	**83,112.12**	**(54,428.42)**	**24,928.18**	**(29,500.24)**	**0.00**	**(29,500.24)**	
Neighbourhood & Enforcement	Environmental Mtce Programme	(646,651.74)	646,651.74	0.00		0.00		0.00		0.00		0.00	Fully committed to fund a programme of improvements. Original Pride programme.
Neighbourhood & Enforcement	Safer Communities balance	(30,835.49)	30,000.00	(835.49)		(835.49)		(835.49)		(835.49)		(835.49)	Committed to fund safer ctty spend, £30k in 22/23 for CCTV
Neighbourhood & Enforcement	Coalbrookdale Water Course	(69,221.00)		(69,221.00)		(69,221.00)		(69,221.00)		(69,221.00)		(69,221.00)	Coalbrookdale Water course drawn down as and when required each year (commuted sum) and annual contribution received.
Neighbourhood & Enforcement	Stoneyhill Landfill	(22,138.00)		(22,138.00)		(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	Bus Subsidy Reserve	(900,000.00)	591,235.00	(308,765.00)	308,765.00	0.00		0.00		0.00		0.00	To support subsidised bus routes, current contract with Arriva ends in July 23
Neighbourhood & Enforcement	Waste Contract	(260,794.96)	92,194.00	(168,600.96)	35,000.00	(133,600.96)	35,000.00	(98,600.96)		(98,600.96)		(98,600.96)	Enable the ongoing management of new Waste contract. Fully committed
Neighbourhood & Enforcement	Confirm & Tascomi System Implementation costs	(12,733.47)	12,733.47	0.00	0.00	0.00		0.00		0.00		0.00	To fund the implementation costs of Tascomi which went live in 21/22, residual balance for final costs
Neighbourhood & Enforcement	Car parking Enforcement	(79,000.07)	38,010.00	(40,990.07)	20,000.00	(20,990.07)	20,990.07	0.00		0.00		0.00	Additional income from CPE which must be re-invested back into the Highway
Neighbourhood & Enforcement	Reserves - Afghan Relocation Scheme	(549,942.52)	300,000.00	(249,942.52)	249,942.52	0.00		0.00		0.00		0.00	Grant received for relocation programme, being used to support budget in 22/23 & 23/24
Neighbourhood & Enforcement	Road Safety Grant	(131,820.56)	131,820.56	0.00		0.00		0.00		0.00		0.00	Will be drawn down to Revenue if required
Neighbourhood & Enforcement	Provision for Local Nature Reserve	(24,000.00)	24,000.00	0.00		0.00		0.00		0.00		0.00	Funding for Local Nature Reserve sites agreed at year end 21/22
Neighbourhood & Enforcement	Safer Communities	(164,713.47)	164,713.47	0.00		0.00		0.00		0.00		0.00	To fund Safer Communities programme being delivered in
Neighbourhood & Enforcement	Street Lighting Works	(150,717.89)	150,717.89	0.00		0.00		0.00		0.00		0.00	Will be drawn down to capital lighting when spent on parishes
Neighbourhood & Enforcement	Pocket Parks	(55,425.72)	4,298.00	(51,127.72)		(51,127.72)		(51,127.72)		(51,127.72)		(51,127.72)	Will be drawn down to Revenue if required for Dawley & Horsehay pocket parks
Neighbourhood & Enforcement	Transport & Highways Reserve (G100)	(43,982.66)	43,982.66	0.00		0.00		0.00		0.00		0.00	Required to support revenue position
Neighbourhood & Enforcement	Fleet Reserve	(32,729.42)	30,000.00	(2,729.42)		(2,729.42)		(2,729.42)		(2,729.42)		(2,729.42)	To support the replacement of Fleet vehicles
Neighbourhood & Enforcement	Community Action Teams Funding	(1,285,218.58)	529,000.00	(756,218.58)	529,000.00	(227,218.58)	227,218.58	0.00		0.00		0.00	Funding for Community Action Team programme for 3 years to 2023/24
Neighbourhood & Enforcement	Environmental Services General Reserves	(112,020.00)	112,020.00	0.00		0.00		0.00		0.00		0.00	To fund headstone maintenance and additional works during 22/23
Neighbourhood & Enforcement	Neighbourhood Services	(211,465.24)	127,289.00	(84,176.24)	35,000.00	(49,176.24)	35,000.00	(14,176.24)	14,176.24	0.00		0.00	Committed to cover staffing
Neighbourhood & Enforcement	Covid-19 Grants	(257.55)		(257.55)		(257.55)		(257.55)		(257.55)		(257.55)	Compliance & Enforcement Grant - balance remaining, risk this could be clawed back
Corporate	Rights of Way (£100k p.a. for 3 years)	(225,317.51)	100,000.00	(125,317.51)	100,000.00	(25,317.51)		(25,317.51)		(25,317.51)		(25,317.51)	
		(5,008,985.85)	**3,128,665.79**	**(1,880,320.06)**	**1,277,707.52**	**(602,612.54)**	**318,208.65**	**(284,403.89)**	**14,176.24**	**(270,227.65)**	**0.00**	**(270,227.65)**	
Hsg, Employment, Infra	Targeted Marketing Campaign	(45,822.23)	25,822.23	(20,000.00)	20,000.00	0.00		0.00		0.00		0.00	Destination Telford work
Hsg, Employment, Infra	Destination Telford	(5,257.69)	5,257.69	0.00	0.00	0.00		0.00		0.00		0.00	Destination Telford, to be used for the Inward Investment Marketing strategy.
Hsg, Employment, Infra	Local Plan Enquiry	(86,867.50)	9,780.00	(77,087.50)	77,087.50	0.00		0.00		0.00		0.00	To support the Local Plan
Hsg, Employment, Infra	Homelessness Prevention	(271,989.20)	225,470.00	(46,519.20)	46,519.20	0.00		0.00		0.00		0.00	Reserve to fund Homelessness prevention and Homelessness pressures
Hsg, Employment, Infra	Growth Hub Development	0.00		0.00	0.00	0.00		0.00		0.00		0.00	Funding to support future development
Hsg, Employment, Infra	Interim Management Orders - DB	(1,817.92)	1,817.92	0.00		0.00		0.00		0.00		0.00	
Hsg, Employment, Infra	Development of Shovel Ready Schemes	(250,000.00)		(250,000.00)		(250,000.00)		(250,000.00)		(250,000.00)		(250,000.00)	
Hsg, Employment, Infra	Town's Deal	(5,092.85)	5,092.85	0.00	0.00	0.00		0.00		0.00		0.00	Town Deal Capacity grant to support the development of a Town Deal Board and Investment Plan
Hsg, Employment, Infra	Domestic Abuse - Housing	(15,154.33)	15,154.33	0.00	0.00	0.00		0.00		0.00		0.00	Funding staff post
Hsg, Employment, Infra	Housing Strategy Consultancy Support	(118,540.00)	68,540.00	(50,000.00)	50,000.00	0.00		0.00		0.00		0.00	To fund Housing strategy work commissioned from consultants
Hsg, Employment, Infra	DEFRA - destination Telford	(1,591.92)	1,591.92	0.00		0.00		0.00		0.00		0.00	To support Destination activities
Hsg, Employment, Infra	Pride in Wellington Station	(38,978.00)	38,978.00	0.00		0.00		0.00		0.00		0.00	To support small improvements at Wellington Station
Hsg, Employment, Infra	Marches Investment Fund – Strategic Tourism and Business Fund	(30,959.77)	30,959.77	0.00		0.00		0.00		0.00		0.00	
Hsg, Employment, Infra	Rough Sleeping Initiative	(311,346.00)	31,170.00	(280,176.00)	66,710.00	(213,466.00)	147,840.00	(65,626.00)	65,626.00	0.00		0.00	Supporting specific rough sleeping initiatives
Hsg, Employment, Infra	Private Sector Housing Holding code	(140,096.22)	47,952.00	(92,144.22)	21,500.00	(70,644.22)	21,500.00	(49,144.22)	21,500.00	(27,644.22)	27,644.22	0.00	To support temporary staffing
Hsg, Employment, Infra	Homelessness Support Grant	(472,135.73)	135,710.00	(336,425.73)	147,710.00	(188,715.73)	110,000.00	(78,715.73)	78,715.73	0.00		0.00	Funding of specific homelessness solutions
Hsg, Employment, Infra	Pride in Your High Street	(1,000,000.00)	50,000.00	(950,000.00)	950,000.00	0.00		0.00		0.00		0.00	Committed
		(2,795,649.36)	**693,296.71**	**(2,102,352.65)**	**1,379,526.70**	**(722,825.95)**	**279,340.00**	**(443,485.95)**	**165,841.73**	**(277,644.22)**	**27,644.22**	**(250,000.00)**	
Ctties, Customer & Commercial	Voluntary Sector Support Fund	(388,474.27)		(388,474.27)	140,000.00	(248,474.27)	140,000.00	(108,474.27)	108,474.27	0.00		0.00	To support the Voluntary Sector/Partnership working
Ctties, Customer & Commercial	Customer Services & Benefits	(143,220.61)	106,734.00	(36,486.61)	36,486.61	0.00		0.00		0.00		0.00	To support additional staffing costs as a result of Welfare Reform changes and to support delivery of savings
Ctties, Customer & Commercial	Telford Town Park Commuted Sums	(139,930.00)	(19,990.00)	(159,920.00)	(19,990.00)	(179,910.00)	(19,990.00)	(199,900.00)		(199,900.00)		(199,900.00)	Balance to be built up over 10 years to fund management and maintenance plan for further ten years after 2020. In line with Management Plan/required for Parks for People Grant
Ctties, Customer & Commercial	Crisis Assistance Reserve	(62,244.99)		(62,244.99)		(62,244.99)		(62,244.99)		(62,244.99)		(62,244.99)	To support the revenue budget for Crisis Assistance. Could be required to support Cost of Living response
Ctties, Customer & Commercial	Community Engagement Reserve	(31,981.20)	5,000.00	(26,981.20)	5,000.00	(21,981.20)	5,000.00	(16,981.20)	5,000.00	(11,981.20)	5,000.00	(6,981.20)	To be used for training volunteers and staff, development of volunteer website and database
Ctties, Customer & Commercial	Leisure/Aspirations Invest to Save Funding	(236,140.75)	80,000.00	(156,140.75)	60,000.00	(96,140.75)	60,000.00	(36,140.75)	36,140.75	0.00		0.00	To fund the ongoing replacement of Leisure equipment. Also includes £120k to fund Leisure concessions between 2022/23 and 2023/24
Ctties, Customer & Commercial	Culture	(60,000.00)	15,000.00	(45,000.00)	15,000.00	(30,000.00)	15,000.00	(15,000.00)	15,000.00	0.00		0.00	Theatre Equipment
Ctties, Customer & Commercial	Culture - Destination	(35,000.00)		(35,000.00)		(35,000.00)		(35,000.00)		(35,000.00)		(35,000.00)	Funding for member priorities - visitors survey & other initiatives

Service Area	Description	31.3.22 BALANCE FOLLOWING REVIEW	Estimated Change during 2022/23	Estimated Closing Balance 31/3/2023	Estimated Change during 2023/24	Estimated Closing Balance 31/3/2024	Estimated Change 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	Purpose
Ctties, Customer & Commercial	Climate Change	(10,657.73)		(10,657.73)		(10,657.73)		(10,657.73)		(10,657.73)		(10,657.73)	To support Climate Change initiatives/action plan.
Ctties, Customer & Commercial	Syrian Resettlement Programme (SRP)	(352,232.12)	173,363.00	(178,869.12)	178,869.12	0.00		0.00		0.00		0.00	Grant funding in relation to Syrian Resettlement Programme
Corporate	Communities & Engagement Team	(156,000.00)		(156,000.00)		(156,000.00)		(156,000.00)		(156,000.00)		(156,000.00)	To fund SDM post for 2 years
		(1,615,881.67)	**360,107.00**	**(1,255,774.67)**	**415,365.73**	**(840,408.94)**	**200,010.00**	**(640,398.94)**	**164,615.02**	**(475,783.92)**	**5,000.00**	**(470,783.92)**	
Corporate	Special Fund Balance	(1,146,847.00)	372,000.00	(774,847.00)		(774,847.00)		(774,847.00)		(774,847.00)		(774,847.00)	Working balance
Corporate	General Fund Balance	(3,959,923.00)		(3,959,923.00)		(3,959,923.00)		(3,959,923.00)		(3,959,923.00)		(3,959,923.00)	General Fund Working Balance
Corporate	Budget Strategy Reserve	(21,701,826.32)		(21,701,826.32)		(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	Budget Strategy Reserve - 2023/24	(6,000,000.00)		(6,000,000.00)		(6,000,000.00)		(6,000,000.00)		(6,000,000.00)		(6,000,000.00)	Available to support the Medium Term Budget Strategy
Corporate	Investment in Council Priorities Fund	(8,000,000.00)	2,297,000.00	(5,703,000.00)	2,791,000.00	(2,912,000.00)	1,481,000.00	(1,431,000.00)	1,431,000.00	0.00		0.00	For Investment in Council Priorities
Corporate	Green and Open Spaces	(1,955,306.15)	1,955,306.15	0.00		0.00		0.00		0.00		0.00	
Corporate	Covid Recovery & Regeneration	(2,195,000.00)	1,195,000.00	(1,000,000.00)	1,000,000.00	0.00		0.00		0.00		0.00	
Corporate	Parks Funding, Pride in Your Park	(976,387.24)	976,387.24	0.00		0.00		0.00		0.00		0.00	
Corporate	Cultural, tourism and public event initiatives and activities	(905,914.10)	808,835.00	(97,079.10)		(97,079.10)		(97,079.10)		(97,079.10)		(97,079.10)	To fund events programme in 22/23
Corporate	Additional Funding for Comms & Marketing	(100,000.00)	50,000.00	(50,000.00)		(50,000.00)		(50,000.00)		(50,000.00)		(50,000.00)	
Corporate	Collection Fund Surplus - Council Tax - TWC element only	(3,388,843.33)	2,256,000.00	(1,132,843.33)	1,132,843.33	0.00		0.00		0.00		0.00	Estimated collection fund balance drawn down as part of budget strategy
Corporate	Collection Fund equalisation Account	(700,000.00)		(700,000.00)		(700,000.00)		(700,000.00)		(700,000.00)		(700,000.00)	
Corporate	Income Equalisation Account	(4,160,900.00)	1,045,457.00	(3,115,443.00)	1,045,457.00	(2,069,986.00)		(2,069,986.00)		(2,069,986.00)		(2,069,986.00)	To accommodatie fluctuations in retained business rates, other potential income shortfalls including bad debts.
Corporate	Capital Funding Reserve	(143,982.32)	143,982.32	0.00		0.00		0.00		0.00		0.00	Fully Committed to capital programme
Corporate	Single Status Provision - General Fund element	(8,917,031.52)		(8,917,031.52)		(8,917,031.52)		(8,917,031.52)		(8,917,031.52)		(8,917,031.52)	Funding set aside to meet costs of implementing single status
Corporate	Severance Fund	(1,609,813.08)		(1,609,813.08)		(1,609,813.08)		(1,609,813.08)		(1,609,813.08)		(1,609,813.08)	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 2025
Corporate	Redundancy Provision	(298,228.00)	298,228.00	0.00		0.00		0.00		0.00		0.00	Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 March.
Corporate	Pride in Your Community - Funding Reserve	(781,390.00)	434,000.00	(347,390.00)	347,390.00	0.00		0.00		0.00		0.00	Reserve created to fund debt charges associated with the Pride In Your Community initiative.
Corporate	Hadley PFI Sinking Fund	(1,587,501.65)	297,000.00	(1,290,501.65)	174,000.00	(1,116,501.65)	358,000.00	(758,501.65)	415,000.00	(343,501.65)	343,501.65	0.00	Equalisation account relating to Hadley PFI; based on funding model
Corporate	Bad Debt Provision	(2,462,894.86)		(2,462,894.86)		(2,462,894.86)		(2,462,894.86)		(2,462,894.86)		(2,462,894.86)	To cover bad debts; level based on formula
Corporate	External Audit Fee Reserves	(48,000.00)	48,000.00	0.00		0.00		0.00		0.00		0.00	
Corporate	Corporate Capacity / Invest to Save Fund	(4,304,776.23)	1,502,000.00	(2,802,776.23)	1,500,000.00	(1,302,776.23)		(1,302,776.23)		(1,302,776.23)		(1,302,776.23)	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	Telford 2020 (capital programme)	(17,000.00)		(17,000.00)		(17,000.00)		(17,000.00)		(17,000.00)		(17,000.00)	£231k capital allocation to be supplemented by £17k
Corporate	Communications	(100,000.00)	100,000.00	0.00		0.00		0.00		0.00		0.00	
Corporate	Campaigns and Marketing	(70,409.30)	66,858.16	(3,551.14)		(3,551.14)		(3,551.14)		(3,551.14)		(3,551.14)	To support Creating a Better Borough and Community initiatives and Campaigns
Corporate	Pay award	(2,450,000.00)	2,450,000.00	0.00		0.00		0.00		0.00		0.00	
Corporate	Inflation	(683,000.00)	683,000.00	0.00		0.00		0.00		0.00		0.00	
Corporate	Grant Agreements - Telford Interfaith Council and Telford Crisis Support £122k x 2 years	(244,000.00)	122,000.00	(122,000.00)	122,000.00	0.00		0.00		0.00		0.00	
Corporate	Shovel Ready Schemes	(150,000.00)		(150,000.00)		(150,000.00)		(150,000.00)		(150,000.00)		(150,000.00)	
Corporate	PIP Income	(124,500.00)	124,500.00	0.00		0.00		0.00		0.00		0.00	Committed to support a range of initiatives
Corporate	Capital grant funding held as a reserve	(558,440.16)	440,650.27	(117,789.89)		(117,789.89)		(117,789.89)		(117,789.89)		(117,789.89)	Committed to funding the capital programme.
Corporate	VAT and Taxation Reserve	(29,648.32)		(29,648.32)		(29,648.32)		(29,648.32)		(29,648.32)		(29,648.32)	Provision for any unforeseen VAT/Taxation costs
Corporate	Pride in Our Community	(990,805.47)	500,000.00	(490,805.47)		(490,805.47)		(490,805.47)		(490,805.47)		(490,805.47)	Committed
Corporate	Public Transport Initiative	(300,000.00)	150,000.00	(150,000.00)		(150,000.00)		(150,000.00)		(150,000.00)		(150,000.00)	Committed to support a range of initiatives
Corporate	Community Initiatives	(657,589.67)	356,435.51	(301,154.16)		(301,154.16)		(301,154.16)		(301,154.16)		(301,154.16)	Committed to support a range of initiatives
Corporate	Covid-19 - various	(7,534,046.00)	7,320,934.00	(213,112.00)		(213,112.00)		(213,112.00)		(213,112.00)		(213,112.00)	Committed
Corporate	Single Status Reserve (to meet 24/25 costs)	(1,180,000.00)		(1,180,000.00)		(1,180,000.00)	1,180,000.00	0.00		0.00		0.00	
Corporate	Covid Hardship Fund - balance	(1,327,025.34)	252,000.00	(1,075,025.34)		(1,075,025.34)		(1,075,025.34)		(1,075,025.34)		(1,075,025.34)	
Corporate	Reserves - Councillors Pride Fund	(72,485.07)	72,485.07	0.00		0.00		0.00		0.00		0.00	Balance of Pride Fund allocations for 21/22 allocated in 22/23
		(91,833,514.13)	**26,318,058.72**	**(65,515,455.41)**	**8,112,690.33**	**(57,402,765.08)**	**3,019,000.00**	**(54,383,765.08)**	**1,846,000.00**	**(52,537,765.08)**	**343,501.65**	**(52,194,263.43)**	

TOTAL		**(139,925,769.17)**	**46,785,800.70**	**(93,139,968.47)**	**17,514,985.89**	**(75,624,982.58)**	**7,475,240.49**	**(68,149,742.09)**	**4,015,424.76**	**(64,134,317.33)**	**1,911,836.59**	**(62,222,480.74)**	

Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Appendix 7

Infrastructure Funding Statement

2021/22

December 2022

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1 Introduction

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 2021 – 31 March 2022.

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 2020/2021

2 Section 106 Planning Obligations 2021/2022

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 future 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 2021/2022

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 2021/2022

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 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 2021/2022. Table 1a and 1b provide an overview of the financial and non-financial contributions.

Table 1: Details of the 2021/2022 Total Monetary Contributions

Monies secured through new development agreed in 2021/22	£9,556,259.19
Monies received in 2021/22	£7,570,464.13
Monies spent in 2021/22	£5,510,969.49
Of which was capital	£5,184,939.30
Of which was revenue	£326,030.19
Monies retained at the end of 2021/22 (excluding "commuted sums" for longer term maintenance).	£14,524,750.26
Monies retained at the end of 2021/22 as "commuted sums" for longer term maintenance.	£5,857,707.39
Monies returned to developers at the end of 2021/22	£0.00

Table 2: Details of the 2020/2021 Non-Monetary Contributions

No. new affordable housing units secured in 2021/22	288 Units*	
No. affordable housing units which were provided and occupied in 2021/22	Social Rent	27
	Affordable Rent	281
	Shared Ownership	89
	Total	**397**
No. of school places for pupils to be provided through planning obligations agreed in 2021/22	Primary School Places	40
	Secondary School Places	15
	Total	**55**
No. of school places for pupils which were provided through planning obligations (whenever agreed) in 2021/22	Total	221

3.2 *This formed part of the overall delivery of Affordable Units delivered in year.

4 Section 106 Infrastructure Expenditure in 2021/22

4 Section 106 Infrastructure Expenditure in 2021/22

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 2021/22, and the amount of money, received through planning obligations, spent on each item. These are shown overleaf.

Table 3: Details of 2021/22 Expenditure Categorised by Project Type

	Development Site	S106 Contributions Spent	Project Delivered
Affordable Housing Projects	TWC/2013/1033 Haygate Road	£150,000.00	Affordable Housing Contribution at the Charlton Arms
	TWC/2016/0978 Land to rear 32 Bratton Road	£412,614.78	Affordable Housing Contribution at Haybridge Hall

Figure 2: Conversion of The Charlton Arms Hotel, Wellington to Residential Accommodation, providing Affordable Housing

	Development Site	S106 Contributions Spent	Project Delivered
Natural Environment Enhancements	TWC/2010/0722 Redhill - Ecological Park	£3,100.00	Great Crested Newt (GCN) Ponds project
	TWC/2016/0562 Former Beeches Hospital Ironbridge	£3,660.00	Resurfacing footpath by Local Nature Reserve
		£1531.45	Two GCN Ponds project

4 Section 106 Infrastructure Expenditure in 2021/22

Figure 2: Pond works commissioned by the Biodiversity Specialists for Great Crested Newt Conservation

	Development Site	S106 Contributions Spent		Project Delivered
		Individual	Total	
Highway Projects	TWC/2013/0297 Land off Edgmond Rd, Newport	£49,691.46	£463,723.41	Contribution towards the Newport Innovation Park Duelling A518 between station road and the A41 and associated improvements at the A518/A41 roundabout
	TWC/2013/0855 Land rear of Willow Tree Cottage Station Rd Newport	£69,057.98		
	TWC/2014/0415 The Knoll, Church Aston	£15,961.16		
	TWC/2011/0827 Audley Avenue (Housing)	£264,832.93		
	TWC/2017/0233 & TWC/2018/0659 Land at Plough Lane, Newport	£42040.33		
	TWC/2014/0273 The Barns, Church Aston	£22139.55		

4 Section 106 Infrastructure Expenditure in 2020/21

	TWC/2013/0938 Land to the South Side of Holyhead Road	£67,873.14	Installation of signalised traffic lights at the junction of Haygate Road and Bridge Road
	TWC/2016/0446 61 Plantation Road Tibberton	£43,606.32	Tibberton Highway works Traffic & speed management on B5062

Figure 3: Continued highway works at the Newport Enterprise and Innovation Park

Figure 4: Introduction of Signalised traffic controls installed at the junction of Haygate Road and Bridge Road, Wellington

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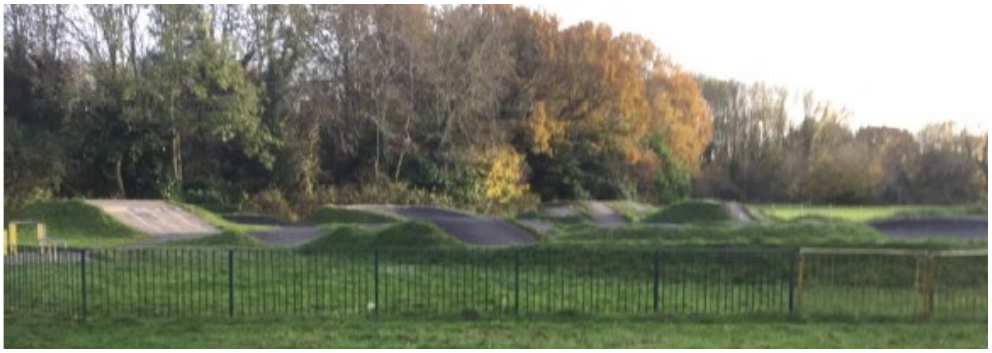
4 Section 106 Infrastructure Expenditure in 2021/22

	Development Site	S106 Contributions Spent		Project Delivered
		Individual	Total	
Outdoor Recreation Projects	TWC/2013/0995 Maddocks Sports & Social Club	£13,949.47	£16,150.01	Contribution to enhancement of Leegommery BMX track
	TWC/2018/0596 Site of Caravan & Camping Centre Stadium Way Hadley	£2,200.54		
	TWC/2011/0334 Land at Station Rd Donnington	£16,040,00		Enhancement of Donnington BMX track
	W2004/0972 Land at Lawley Farm	£25,963.98		Creation of new sports pitches at Newdale
	W2004/0972 Lawley Village NEAP	£5,955.00		Enhancement works to Lawley BMX Track
	TWC/2013/0592 Former Ever Ready Site	£43,580.00		Enhancement and fencing works at Wrekin Riders BMX club
	TWC/2021/0046 Land North/East of Lodge Rd Caravan Site	£54,000.00		Contribution to new hockey pitch at St Georges Sports Ground
	TWC/2016/0365 Sutherland School Site Gibbons Rd	£13,137.00		Adult Gym at Gibbons Road
	W2008/0086 Land at Brindleyford School	£7,100.00		Installation of 2 pod seats at local MUGA
	TWC/2015/0060 The Coddon Sports & Social Club application	£12,500.00		New bowling green borders at Donnington Wood Bowling Club

4 Section 106 Infrastructure Expenditure in 2020/21

	TWC/2017/0941 Castle Farm Way Priorslee	£55,890.00	Teece Drive MUGA enhancements
	W2004/0980 Lawley - Newdale NEAP	£50,251.64	Enhancement of Lawley Newdale NEAP

Figure 5: Resurfacing project at Leegomery BMX track



4 Section 106 Infrastructure Expenditure in 2021/22

	Development Site	S106 Contributions Spent		Project Delivered
		Individual	Total	
Play Area Projects	W93/0667 Horsehay Village Project (Phase 1)	£10,000.00	£16,549.14	Contribution to Poolside play area enhancements
	W93/0667 Horsehay Village Project (Phase 2)	£4,000.00		
	TWC/2015/0255 Adamson House Horsehay	£2,549.14		
	W93/0667 Horsehay Village Project (Phase 1)	£493.42	£8,512.00	Contribution to Shire Fields Play Area enhancements
	W93/0667 Horsehay Village Project (Phase 2)	£6,369.27		
	TWC/2015/0255 Adamson House Horsehay	£1,649.31		
	TWC/2018/0780 Corner of Holyhead Rd/Telford Way, Snedshill	£22,752.11	£25,713.00	Enhancement of surfacing at Freeston Avenue play area
	TWC/2013/0208 Land at Furnace Road Snedshill	£2,960.89		
	Lawley Rock Road NEAP	£11,241.22		Lawley Play Area enhancement surfacing Project
	TWC/2012/0530 Land at Priorslee East (HCA)	£3276.00		Construction of new footpath at Gatcome way play area
	TWC/2013/0861 Sutherland School Site Gibbons Rd	£54,625.41		New Play Area at Gibbons Road, Trench
	TWC/2015/0949 Land adj to The Blue Pig	£14,000.00		Contribution towards enhancements at Capewell Road play area
	TWC/2014/0998 Land at Farm Lane Horsehay	£1,945.86		Contribution to Poolside & Shire Fields Play area enhancements

4 Section 106 Infrastructure Expenditure in 2021/22

	Development Site	S106 Contributions Spent		Project Delivered
		Individual	Total	
Education Projects	TWC/2012/0320 & TWC/2013/0720 Land at Sommerfield Rd	£138,455.16	£381,749.82	Contribution towards the Remodeling and enhancements of Hadley Learning Community, leading to an additional 210 places.
	W2004/0980 & TWC/2010/0828 Lawley New School	£79,489.94		
	TWC/2018/0658 Land east of Charlton school, St Pauls Drive, Dothill	£103,371.66		
	TWC/2018/0596 Site of Caravan & Camping Centre Stadium Way Hadley	£60,433.06		
	TWC/2013/0592 Former Ever Ready Site	£223,431.52	£939,186.42	Contribution towards the Expansion of Ladygrove Primary School leading to an additional 140 places.
	TWC/2012/0650 & TWC/2014/0237 Land off Doseley Works Doseley	£478,028.47		
	TWC/2012/0926 Land at Horsehay	£53,010.10		
	TWC/2010/0111 & TWC/2014/0258 Land at Former Ibstock Brickworks	£10,428.55		
	TWC/2019/0753 Land between Arleston Lane & Dawley Rd	£174,287.78		
	TWC/2013/0297 Land off Edgmond Road, Newport	£83,343.53	£225,874.57	Contribution towards the Expansion of Burton Borough providing an additional 130 secondary places.
	TWC/2013/0855 Land rear of Willow Tree Cottage Station Road, Newport	£47,707.80		

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	TWC/2016/0560 Beech Hill & Blue House Barns	£27,994.41		
	TWC/2016/1152 Parkland House Audley Ave	£55,986.21		
	TWC/2016/0535 Springfields industrial Estate	£40,842.62		
	TWC/2013/0297 Land off Edgmond Road, Newport	£127,316.09	£628,194.60	Contribution towards the Expansion of Newport CofE School providing an additional 90 spaces
	TWC/2013/0855 Land rear of Willow Tree Cottage Station Road, Newport	£76,871.29		
	TWC/2014/0230 Back lane/ Plantation Road, Tibberton	£112,948.24		
	TWC/2014/0415 The Knoll Church Aston	£41,169.25		
	TWC/2016/0560 Beech Hill & Blue House Barns	£46,743.65		
	TWC/2017/0179 Land South of 28 Beechfields Way Newport	£77,743.06		
	TWC/2016/1152 Parkland House Audley Ave	£145,403.02		
	TWC/2017/0714 Snedshill Way	£70,835.09	£325,358.83	Contribution towards upgrades and enhancements to St Georges CE Primary School.
	TWC/2012/0961 Orchard House Tibberton	£16,168.24		
	TWC/2018/0780 Corner of Holyhead Rd/Telford Way, Snedshill	£219,267.58		
	TWC/2014/0656 Land adj to Stone House Shifnal Road Priorslee	£19,087.92		

	TWC/2018/1019 Land South of Newcommon Way	£68,495.00	£242,782.78	Contribution towards Telford Langley School expansion providing an estimated 300 places
	TWC/2019/0753 Land between Arleston Lane & Dawley Rd	£174,287.78		
	TWC/2018/1019 Land South of Newcommon Way	£162,453.00		Improvements to Haughton School
	TWC/2014/0273 The Barns Church Aston	£1910.37		Improvements to Moorfield Primary School classroom facilities
	TWC/2010/0722 Redhill - Education	£82,066.00		Contribution towards a Demountable Classroom at St Georges providing an additional 35 places.
	TWC/2017/0941 Castle Farm Way Priorslee	£429,772.00		Contribution towards Holy Trinity Academy expansion providing an estimated 300 places

Figure 6: Expansion of Ladygrove Primary School and Burton Borough School

4 Section 106 Infrastructure Expenditure in 2021/22

Figure 7: Expansion of St Georges CE Primary School and Hadley Learning Community

	Development Site	S106 ContributionsSpent	Project Delivered
Community Projects	TWC/2015/0843 B1/B3 Apley Castle (Perigrine Way).	£36,289.65	Upgrading of the disable angling facilities at Apley Pool
	TWC/2013/0606 Land at Hadley Park West	£113,034.70	Enhancement of Grade II listed structures and public realm at ThomasTelford Hadley Locks
	TWC/2013/0887 Land at Audley Ave (ALDI)	£3,727.20	Landscape Planting and enhancements at Audley Avenue Aldi island

Figure 8: Upgrading of the disable angling facilities at Apley Pool

4 Section 106 Infrastructure Expenditure in 2021/22

Table 4: Revenue Expenditure in 2021-2022

	Project/Type	Receipts Spent
Revenue Spending	Project Delivery	£48,574.65
	Bus Subsidy	£64,133.50
	Lightmoor Wildlife Park	£12,225.00
	Public Open Space Maintenance	£138,812.08
	Landscape Maintenance	£37,581.58
	Play Area Maintenance	£3,601.64
	Outdoor Recreation Maintenance	£823.96
	Ecology Maintenance	£18,768.78
	Community Facilities Maintenance	£1,294.00
	Highways Maintenance	£215.00
	Total	**£326,030.19**

Other Expenditure

4.2 The total amount of money, received through planning obligations, spent in 2021/22 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 then these units are the same.

4.3 Total amount of money, received through planning obligations spent in 2021/22 in respect of monitoring in relation to the delivery of planning obligations: £0.00.

5 Section 106 Receipts Retained

5 Section 106 Receipts Retained

5.1 The total amount of money, received through planning obligations prior to 2021/22, *which had not been allocated* (to an infrastructure project or item) £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 2021/22 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 2021/22, have been allocated (but not spent) and the amount allocated to each item: **£14,524,750.26** 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/2012/0371	Land at Muxton C2 & C3	£7,058.77	Footpath creation on nature reserve
	TWC/2015/0843	B1/B3 Apley Castle (Peregrine Way)	£19,336.97	Improvements to the Woodland
	TWC/2014/0272	Ivydale High Street Colaport	£443.76	Improvements to the Silkin Way - tree planting
	Totals		**£26,839.50**	

Play Contributions Retained	Planning Application No	Scheme	Bal Carried forward	Project
	TWC/2012/0320 & TWC/2013/0720	Land off Sommerfield Rd	£24,540.04	Contribution to NEAP in the vicinity
	W2010/0180	Bradley Rd Donnington	£256.07	Contribution to local play facilities
	W2007/1732	Somerfield Rd Trench	£5,199.39	Contribution towards play area
	W2004/0972	Lawley Princess End NEAP	£38,428.48	Contribution to Princess End NEAP
	TWC/2019/0753	Land between Arleston Lane & Dawley Rd	£141,544.82	off-site play & recreation within the vicinity
	W2004/0568	Land at rear of 247/248 Lodge Road	£2,138.14	Contribution to play facilities at Bell Rec

5 5 Section 106 Receipts Retained

	TWC/2018/1019	Land South of Newcommon way	£31,818.56	The Saplings Play Area
	W2004/0980	Land at Lawley Upper Newdale LEAP	£6,034.48	Upper Newdale LEAP
	TWC/2018/0780	Corner of Holyhead Rd/Telford Way, Snedshill	£24,735.23	Upgrade childrens play in the local area
	TWC/2012/0530	Land at Priorslee East (HCA)	£61,049.98	NEAP
	TWC/2013/0592	Former Ever ready site	£6,053.41	Recreation & Leisure contributions in the vicinity
	TWC/2015/0843	B1/B3 Apley Castle (Perigrine Way)	£69.54	LEAP Capital contribution
	TWC/2015/0230	Back Lane/Plantation Rd Tibberton	£14,773.92	Off -site play Tibberton play area/tennis courts
	W2004/0980	Lawley - Newdale NEAP	£59,477.98	Newdale NEAP
	TWC/2020/0168	Land adjacent to 23 Wellington Road Muxton	£21,070.36	Play & recreation within 1000 metres from the development site
	TWC/2011/0827	Land at Audley Ave	£174,823.82	Play facilities
	W2004/0980	Land at Lawley - Ironbridge Way LEAP	£55,484.71	LEAP Capital contribution
	TWC/2018/1021	Princess Ave Arelston	£106.13	Play facilities at Arleston Community Centre
	TWC/2021/0852	Site of Castle Lodge Dawley	£9,100.00	Recreation in lieu of agreement

5 Section 106 Receipts Retained

	TWC/2017/0259	Land at Alver, Station Rd, Madeley	£9,608.47	Children's play at Hills lane Drive Madeley
	TWC/2018/0658	Land east of Charlton School	£31,031.04	Upgrade local play area
	TWC/2019/0252	Land east/south east Sheldar /Covings / The Old Stables Tibberton	£9,000.21	Local play facilities
	TWC/2016/0978	Land to the rear of 32 Bratton road	£9,108.17	Off-site play
	TWC/2018/0596	Site of Caravan & Camping Centre Stadium Way Hadley	£9,055.53	Upgrade local play facilities
	TWC/2019/1031	Site of Royston,68 Rosecroft, 9&70 Park Rd/Leonards Rd Malinslee	£20,404.31	Upgrading Malinslee Playing Fields
	TWC/2021/0557	Land at Woodhouse Farm	£10,400.00	Contribution to off-site play & recreation
	TWC/2020/0518	NFU House (Land at Southwater Way)	£27,312.00	Fully equipped Children's play area
	TWC/2014/0888	Land Adj to The Old Rectory Waters Upton	£4,327.60	Contribution to play/recreation facilities within the area
	W2002/0175	Salters Lane Newport Fairclough Homes	£1,894.47	Play facilities within the vicinity

5 Section 106 Receipts Retained

	TWC/2014/0656	Land adj to Stone House Shifnal Rd Priorslee	£9,854.50	Play equipment/Rec facilities & environmental/tree enhancements
	TWC/2014/0333	Land at corner of Stafford Rd /A41 Newport Shropshire	£59,750.73	Contribution to off-site play & recreation
	TWC/2013/0606	Land at Hadley Park Rd West Millar Homes	£1,947.19	Contribution to off-site play facilities within the area
	TWC/2017/0941	Land West of Castle Farm Way Priorslee	£110,325.16	Play & recreation NEAP at Teece Drive
	Totals		**£992,031.98**	

Outdoor Recreation Contributions Retained	**Planning Application No**	**Scheme**	**Bal Carried Forward**	**Project**
	TWC/2011/1037	Land at The Walker Institute (Phase 2)	£166.21	Contribution to rec facilities at Hartshill Park
	TWC/2015/0060	Coddon Sports & Social Club	£22,758.18	Contribution to replacement bowling facilities within the borough
	TWC/2020/0886	Site of Webb Cres & Windsor Rd Dawley	£10,400.00	Rec facilities at Portley Road Dawley

5 Section 106 Receipts Retained

		Horsehay Golf Course	£10,549.68	Contribution to project at Horsehay Golf Course
	W97/0608	Queen Street Madeley	£6,622.74	Contribution to Multi-use Games Area at Sutton Hill
	W2006/1442	8 & 9 Islington Close	£1,156.39	Project at Beechfields MUGA
	W2007/1521	Land at DSDC,Station Rd Donnington	£8,669.56	Facilities at Broadoak Field including pitch drainage
	W2004/0972	Land at Lawley Farm	£45,122.74	Sports Pitch Contribution
	W2003/0201	Devmnt at Old Office Rd Dawley	£24,934.23	Contribution to multi use games area
	W2003/0783	Land at Gower St - Morris Homes	£16,248.61	Contribution to play at Freeston Ave
	TWC/2010/0200	Somerfield Rd (Phase 2)	£3,037.45	Landscaping & upgrading existing rec facilities
	W2004/0980	Lawley Commomn Sports Pitches	£791,806.87	Lawley common sports pitches
	W2007/1732	Capewell Works	£61,179.51	Contribution to Wombridge Skate Park
	TWC/2012/0371	Land at Muxton C2 & C3	£36,092.80	Outdoor Recreation Contribution
	TWC/2012/0609 & TWC/2014/1124	Woodlands Primary Redevelopment	£78,980.34	Off-site pitch improvements at William Reynolds School

5 5 Section 106 Receipts Retained

	TWC/2013/1033	Land off Haygate Rd	£145,405.00	Off-site pitch contribution Orleton park & OD Murphey rec ground
	TWC/2012/0787	Former White Hart Pub	£6,884.22	Recreation contribution
	TWC/2017/0233 & TWC/2018/0659	Plough Lane Newport	£26,400.00	Rec at Norbroom Park
	TWC/2013/0855	Land rear of Willow Tree Cottage Station Rd Newport	£3,041.03	New ball court at Walls Head Way
	TWC/2017/0454	Land at The Vineyard North Rd Wellington	£6,954.73	Rec facilities at Bowring Park
	TWC/2017/0714	Snedshill Way	£12,052.50	Outdoor rec in the vicinity
	TWC/2016/0365	Sutherland Farm, Back Lane, Tibberton	£4,438.55	Play capital
	TWC/2016/0446	61 Plantation Rd Tibberton	£13,770.39	Rec at Tibberton Playing Fields
	TWC/2011/0827	Land at Audley Ave	£241,898.88	Sports pitches
	TWC/2019/0228	Land adj to The Shires Shifnal Rd	£5,030.20	Recreation within the vicinity
	TWC/2015/11111 & TWC/2017/1050	Land adj to Walton Ave/Ridgeway High Ercall	£26,723.91	Recreation at land adjacent village hall
	TWC/2016/1152	Parkland House Audley Ave	£31,434.92	Play and recreation at Shukers Field
	TWC/2017/0179	Land South of 28 Beechfields way Newport	£12,090.18	Upgrading nearby recreation Facilities
	TWC/2019/0487	Land West of Lawford Close, off Majestic Way	£9,999.00	Improvements to fishing at Wide Waters
	TWC/2020/0518	NFU House	£27,312.00	Leisure and

5 Section 106 Receipts Retained

		(Land at Southwater Way)		sports facilities
	TWC/2012/0961	Land at Orchard House Tibberton	£4,800.66	Rec facilities within Tibberton Parish
	TWC/2018/0435	site of Bowring Hall, 300 Holyhead Road, Wellington	£9,600.70	Existing play and recreation facilities at Bowring Park
	W2005/1547 & TWC/2011/0285	George Hill,Upper Bar, Newport	£10,046.55	Off-site Rec facilities
	W2006/0161	Trench Lock 1 Bloor Homes	£42,268.84	Contribution to Wombridge Skate Park
	TWC/2019/1043	Wellington & District Cottage Care	£9,000.00	Upgrading Existing play & recreation facilities at Bowring Park
	TWC/2011/0334	Land at Newport Business Park	£1,526.13	New LEAP & improvements to Shukers Field
	TWC/2012/0886	Land at 121-125 Hadley Park Road	£1,862.47	Contribution to Rec Facilities within the vicinity
	TWC/2010/0089	Highfield House	£1,878.08	Contribution to upgrade local community facilities
	TWC/2014/1080	Land at Mill Lane Tibberton	£14,659.43	off-site rec at Tibberton playing fields
	TWC/2014/0360	Land at Heath Hill/Balls Hill	£2,659.68	Contribution to bowling facilities in Dawley
	TWC/2014/0010	Land at Chilcott Drive Madeley	£12,058.59	Contribution towards Hills Lane Drive play area

5 5 Section 106 Receipts Retained

	n/a	The Queens Arms	£6,500.00	rec facilities in lieu of section 106 agreement
	TWC/2021/0557	Land at Woodhouse Farm	£10,400.00	Sports Facilities
	Totals		**£1,818,421.95**	

Highways Contributions Retained	**Planning Application No**	**Scheme**	**Bal Carried forward**	**Project**
	TWC/2014/0699	Land adj to 1 Talbot Close	£5854.55	Traffic calming feature Plough Rd & Talbot Close Junction
	W2004/0972	Land at Lawley Farm	£60,545.36	Toucan crossing at Glendale Lawley & Traffic calming at Dawley Rd, Lawley
	W2004/0972	Land at Lawley Highways/Transport	£52,918.21	Traffic management sum
	TWC/2012/0371	Land at Muxton C2 & C3	£18,133.94	Cycleway adjacent to Marshbrooke Way & Donnington Wood Roundabout & Muxton Primary School
	TWC/2013/0096	Land at East Ketley - KMC Cycle Routes	£74,377.22	Land at East Ketley -KMC Cycle Routes
	TWC/2013/0995	Land at Maddock Sports & Social Club	£10,284.09	Pedestrian crossing near housing development
	TWC/2017/0714	Snedshill Way	£33,251.54	Highway works in the vicinity

5 Section 106 Receipts Retained

	TWC/2016/0535	Springfields Industrial Estate Newport	£5,114.26	Double yellow lines to development front & nearby junction
	TWC/2018/0780	Corner of Holyhead Rd/Telford Way, Snedshill	£61,029.56	Strategic improvements to the local highway network
	TWC/2016/0804	Land at Gatcombe Way Priorslee	£9,620.65	Traffic Calming between Gatcombe Way & Highgate Drive
	TWC/2015/0217	Site A pool Hill Road Horsehay	£8,073.17	Road Safety improvements at Pool Hill /Doseley junction
	TWC/2014/0230	Back Lane/Plantation Rd Tibberton	£13,830.17	Speed & traffic management on B5062
	TWC/2011/0575	Land South of St Michaels Church Waters Upton	£50,074.58	Parking paths & verges
	TWC/2013/1033	Land off Haygate Rd	£260,761.71	Traffic Calming
	TWC/2016/0952	Roden Care Home	£15,555.12	Footpath patching & tactile crossing
	TWC/2015/0580	Land at 44 Cherrington Tibberton	£1,084.67	Traffic & speed management on B5062 into Tibberton
	TWC/2015/0728	Land at corner of Redhill Way/A5	£282,880.00	1st installment highway works to Limekiln way & Junction 5 M54
	TWC/2016/0365	Farmstead at Sutherland FarmTibberton	£5,750.77	Ppassing place on Back Lane & legal fee

5 Section 106 Receipts Retained

	TWC/2014/0746	Site of Maxell Europe Ltd	£117,304.51	Contribution towards Shawbirch round-a-bout
	TWC/2016/0562	Former Beeches Hospital site Ironbridge	£8,221.04	Improvements to highway signing
	TWC/2020/0168	Land adj to 23 Wellington Road Muxton	£36,924.77	Contribution towards the strategic highway network
	TWC/2019/0228	Land adj to The Shires Shifnal Rd	£5,030.19	Provision of yellow line in the vicinity
	TWC/2018/0775	Land adj to B8 MOD Hortonwood	£66,324.24	Strategic highway improvements
	TWC/2016/1182	Land North of Roden Lane Farm Roden	£30,131.93	Traffic Calming on Roden Lane
	TWC/2014/0980	Land at Priorslee (Land between Castle Farm Way & A5)	£251,944.86	1st installment highway works to junction 4 M54
	TWC/2015/1079	Sambrook Hall Farm	£3,260.70	Contribution to alteration of priority at junction of west of main access to the development
	TWC/2019/0753	Land between Arleston Lane & Dawley Rd	£7,013.20	Dawley Rd 40mph Signs & lines
	TWC/2018/0757	Land at rear of Hadley Park House Hotel	£141,717.49	Highway improvements on the network - servicing Hadley Park & Hortonwood West

5 Section 106 Receipts Retained

	TWC/2014/0113	Former British Sugar site Allscott	£125,473.07	Round-a-bout & level crossing contribution
	TWC/2018/0658	Land East of Charlton School	£78,409.22	Various highway schemes
	TWC/2019/0252	Land east/south east Sheldar / Covings / The Old Stables Tibberton	£28,500.67	Traffic & Speed management within the vicinity of Back Lane Tibberton
	TWC/2020/0518	NFU House (Land at Southwater Way)	£39,195.95	Highway improvements
	TWC/2018/0361	Land at 66 Tibberton	£3,110.19	Traffic management on B5062
	TWC/2015/0157	Land at Former Dairy Crest site Crudgington	£52,017.13	Highway improvements to existing junctions on A442 between & including Crudgington crossroads & Shawbirch round-a-bout
	WC/2019/0840	Land North East of Halesfield Roundabout	£32,128.25	Telford & Wrekin Growth Point Strategy
	W2005/1547 & TWC/2011/0285	Land at Upper Bar Newport ,George Hill	£12,661.01	Traffic calming in the vicinity
	W84/0657	Donnerville Gdns	£14,898.87	Private drive maintenance
	TWC/2010/0492	Madeley Academy Sixth Form extension	£12,742.58	Traffic Management
	TWC/2013/0083	Land at Hadley Park West (Oakehampton Road)	£76,250.84	Contribution to Leegomery round-a-bout improvements

5 Section 106 Receipts Retained

	TWC/2019/0724	J1 & J2 off Gatcombe Way (Priorslee East)	£79,621.29	Strategic Highways Network
	TWC/2010/0111 & TWC/2014/0258	Land at Former Ibstock Brickworks	£23,314.41	Contribution to highway improvements
	TWC/2015/0777	Land at 17 Whitchurch Rd Wellington	£3,056.20	Contribution to traffic waiting restrictions on frontage
	TWC/2015/0950	Honey House Tibberton	£1,015.78	Contribution towards formalised passing bay in Back Lane Tibberton
	TWC/2021/0046	Land North/East of Lodge Rd caravan site (Donnington Wood Way)	£109,953.00	Contribution to Highways Infrastructure
	TWC/2017/0582	Land at Telford Town Centre (Bus Station)	£109,013.65	Contribution to major highway works
	Total		**£2,329,360.96**	

Transport Contributions Retained	**Planning Application No**	**Scheme**	**Bal Carried Forward**	**Project**
	TWC/2011/0821	Land at Wellington Rd Newport	£22,350.14	Public transport infrastructure
	W2004/0972	Land at Lawley Farm	£5,501.76	Bus shelter at Dawley Rd Lawley
	W2004/0981	Land at East Ketley KMC (Bus shelters)	£20,735.52	Bus shelter sum for upgrade of bus shelters on Holyhead Rd
	W2006/0706	Land off St Heliers Drive, Dawley Bank	£5,856.59	Bus shelters on Milners Lane / St Heliers Drive

5 Section 106 Receipts Retained

	TWC/2013/0297	Land of Edgmond Rd Newport	£10,405.48	Improvements to 2 bus stops on Chetwynd Rd & Chetwynd End
	TWC/2013/0887	Land at Audley Ave (ALDI)	£12,271.50	Bus shelter & bus stop at Audley Ave
	TWC/2013/1033	Haygate Road Wellington	£10,798.27	Bus shelter contribution
	TWC/2017/0941	Land West of Castle Farm Way Priorslee	£10,477.75	Bus stop enhancements
	TWC/2011/0827	Audley Ave (Housing)	£12,137.97	Newport Town Centre Bus Station Contribution
	TWC/2019/0753	Land between Arleston Lane & Dawley Rd	£10,018.85	Bus stop improvements on Kingsland
	W2006/0161	Trench Lock 1 Bloor Homes	£27,185.28	Transport infrastructure including shelters, refuges
	TWC/2014/0333	Land at corner of Stafford Rd /A41 Newport Shropshire	£16,078.94	Bus shelter improvements & raised platforms
	TWC/2013/0774	New School at Priorslee	£10,195.30	Upgrade bus stops in the vicinity
	TWC/2016/1198	Land South of Naird Lane	£10,194.33	Bus stop improvements in Stafford Park & upgrade of footpaths & cycle ways
	TWC/2021/0930	The Endeavour Centre North Road	£9,475.00	new placement off grid bus shelter
	Total		**£193,682.68**	

5 Section 106 Receipts Retained

Affordable Housing Contributions Retained	Planning Application No	Scheme	Bal Carried forward	Project
	W2004/0972	Lawley Affordable Housing	£185,023.77	Payment in lieu of affordable housing for extracare site at Lawley
	TWC/2011/0821	Land at Wellington Rd Newport	£2,039,249.14	Contribution to Affordable Housing project in Newport
	TWC/2013/0592	Former Ever Ready Factory	£16,051.68	Off -site Affordable Housing project
	TWC/2016/0560	Land between Beech Hill & Blue House Farms	£368,894.90	Off-site Affordable Housing in Newport or Edgmond
	TWC/2013/1033	Land off Haygate Rd	£9,187.50	Off -site Affordable Housing
	Totals		**£2,618,406.99**	

Community facility contributions retained	Planning Application No	Scheme	Bal Carried forward	Project
	TWC/2015/0843	B1/B3 Apley Castle (Peregrine Way)	£19,888.73	Disabled angling at Apley pool
	TWC/2013/0606	Land at Hadley Park West	£41,386.50	Contribution to canal enhancements
	TWC/2013/0887	Land at Audley Ave (ALDI)	£24.70	Public Art works to roundabout
	Totals		**£61,299.93**	

5 Section 106 Receipts Retained

Education Contributions Retained	Planning Application No	Scheme	Bal Carried forward	Project
	TWC/2010/0722	Redhill - Education	£52,258.41	Contribution towards education
	TWC/2011/0821	Land at Wellington Rd Newport	£438,812.37	New primary provision & expansion of secondary provision Burton Borough Music block
	TWC/2019/0753	Land between Arleston Lane & Dawley Rd	£13,893.77	Primary education facilities
	TWC/2014/0484 & TWC/2016/0332	Land West of The Cedars Rodington	£27,309.71	Contribution towards a new primary school at Allscott
	TWC/2012/0530	Land at Priorslee East (HCA)	£366,342.84	Primary education within 2 miles of the development
	TWC/2020/0518	NFU House (Land at Southwater Way)	£144,359.44	Primary & secondary education
	TWC/2015/0157	Land at Former Dairy Crest site Crudgington	£238,945.26	Education Contribution, Primary, Charlton School and transport to Charlton School
	TWC/2014/0333	Land at Corner of Stafford Rd/A41 Newport	£313,460.02	Expansion of education facilities in Newport area

5 Section 106 Receipts Retained

	W2006/0291 & TWC/2011/0541 & TWC/2015/0843	B1/B3 Apley Castle (Perigrine Way)	£136,111.71	Contribution towards Milbrook Primary extension
	TWC/2013/1033	Land off Haygate Rd	£526,120.59	Primary & Secondary Contributions
	TWC/2017/0941	Land West of Castle Farm Way Priorslee	£901,660.20	Contribution towards Primary Education and Holy Trinity Academy
	TWC/2016/0446	61 Plantation Rd Tibberton	£93,753.42	Contribution towards Tibberton Primary School
	TWC/2016/0562	Former Beeches Hospital site Ironbridge	£190,062.90	Remodelling Madeley Primary school
	TWC/2011/0827	Audley Ave (Housing)	£641,951.08	Newport Infants and Burton Borough
	TWC/2015/1111 & TWC/2017/1050	Land adj to Walton Ave/Ridgeway High Ercall	£152,850.93	Primary education and transport to Charlton School
	TWC/2017/0233 & TWC/2018/0659	Plough Lane Newport	£103,849.36	Remodelling Church Aston School
	TWC/2019/0252	Sheldar /Covings /The OldStables, Tibberton	£84,997.00	Improvement of Primary & secondary schools within the vicinity
	TWC/2016/0978	Land to rear of32 Bratton Rd	£55,752.64	Primary Education at Wrekin View Primary
	TWC/2019/1031	Site of Royston,68 Rosecroft, 9&70 Park Rd/Leonards RdMalinslee	£134,524.42	Education Contribution

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5 Section 106 Receipts Retained

	TWC/2019/0487	Land west of Lawford Close, off Majestic Way	£167,256.06	Primary & secondary education within2/3 mile radius
	TWC/2014/1080	Land at Mill Lane Tibberton	£63,938.44	Extension at Tibberton Primary
	TWC/2021/0557	Land at Woodhouse Farm	£110,354.00	Primary & Secondary Education
	TWC/2019/0724	J1 & J2 off Gatcombe Way (Priorslee East)	£391,597.00	Primary & Secondary Education
	TWC/2021/0046	Land North/East of Lodge Rd caravan site (Donnington Wood Way)	£862,600.00	Primary & Secondary Education
	Totals		**£6,212,761.57**	

5 Section 106 Receipts Retained

Natural Environment Enhancements	Planning Application No	Scheme	Bal Carried forward	Project
	TWC/2010/0085	Leaton Quarry	£170.15	Biodiversity Study
	TWC/2018/0252	Pool Hill Plot E Dawley	£13,890.68	Ecology Commuted sum
	W2004/0972	Lawley Sustainable Development	£1,416.15	Costs incurred in assessing any sustainability plan submitted
	TWC/2016/0562	Former Beeches Hospital Ironbridge	£11,714.70	Enhancements to Local Wildlife site at The Beeches
	TWC/2019/0487	Land West of Lawford Close, off Majestic Way	£53,522.43	Improvements & maintenance of Dawley pools & pit mounds
	TWC/2018/1019	Land South of Newcommon way	£25,000.00	Enhancements to adopted LNR at Rough Park
	TWC/2021/0127	Halesfield 18 & 20	£35,700.00	off-site ecology net gain
	TWC/2021/0046	Land North/East of Lodge Rd caravan site (Donnington Wood Way)	£15,050.00	off-site ecology net gain
	TWC/2014/0289	Land off Park Lane Woodside	£6,466.94	Wildlife Habitat Creation
	Totals		**£162,931.05**	

TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET - BEFORE SAVINGS

Service Delivery Unit	2023/24 GROSS EXPENDITURE	2023/24 GROSS INCOME	2023/24 NET EXPENDITURE
	£	£	£
Prosperity & Investment	23,434,677	29,283,607	(5,848,930)
Finance & Human Resources	23,422,949	8,062,385	15,360,564
Policy & Governance	8,305,163	7,355,192	949,971
Children's Safeguarding & Family Support	45,982,804	3,493,568	42,489,236
Education & Skills	147,927,020	133,014,536	14,912,484
Health & Wellbeing	13,256,938	10,739,838	2,517,100
Adult Social Care	96,045,927	32,990,702	63,055,225
Neighbourhood & Enforcement Services	45,334,615	10,074,662	35,259,953
Housing, Employment & Infrastructure	6,214,740	4,182,299	2,032,441
Communities, Customer & Commercial Services	83,208,832	77,668,662	5,540,171
Corporate Items (including contributions to/from balances)	25,538,855	41,493,195	(15,954,340)
Netting off of Internal Recharges included above	(56,091,750)	(56,091,750)	0
Total	**462,580,771**	**302,266,896**	**160,313,875**

APPENDIX 9

ANALYSIS OF BASE BUDGET MOVEMENTS

Base Budget Movements from 2022/23		**2023/24**	
		£'000	£'000
2022/23 Base Budget			**134,953**
Adjustment for use of reserves (including council tax collection fund equalisation reserve)			3,149
			138,102
Inflation			
General - major contracts and utlities		5,470	
Pay Inflation		6,040	
			11,510
Council Wide Items			
Pensions - Increase in employers contribution netted off by reduced deficit recovery payment		(550)	
External Audit Fee		235	
New Homes Bonus - no legacy payments		1,404	
Reductions to Lower Tier Services and Services Grants		609	
			1,698
Capital/Treasury			
Cost of Capital Programme		984	
			984
Service Pressures			
Adult Social Care Additional Investment		11,407	
Additional government grant funding - social care (including Delayed Discharges and Market sustainability and improvement funding)		(6,902)	
Children's Safeguarding Additional Investment		3,715	
Pre & Post 16 Transport Costs		1,000	
Other		2,478	
			11,698
Savings			
Approved in 2022/23 Strategy		(3,678)	
			(3,678)
Base Budget			**160,314**
Less Funding			
Council Tax Income		77,485	
Council Tax growth in base		1,875	
Council Tax Collection Fund		1,127	
Revenue Support Grant		11,623	
Parishes CTS Grant - in line with reductions in RSG		(66)	
Top Up		6,039	
Retained Business Rates - local projection		35,164	
Section 31 Grant - local projection		11,657	
Total Funding			**144,904**
Base Budget Gap			**15,410**

Appendix 10 - Savings List 2023/24

Description of Saving	2023/24 £m
Service Restructures and staff savings across the organisation	0.493
Income generation including Nuplace, review of charges, leisure services and trading operations	1.497
Delivery of Foster Carer accommodation solutions	1.000
Children's Safeguarding & Family Support - service improvements and reviews including Special Guardianship Orders which provide better outcomes for Children and supported accommodation for Care Leavers	0.851
Adult Social Care – service improvements/reviews and standardisation including Commissioned Care, dementia care, supported living and extra care.	1.140
Optimise the use of external grant funding	0.985
Optimise Council Tax and NDR income	0.280
Procurement efficiencies through review of contracts and capitalisation	0.535
Efficiencies through rationalisation of properties	0.073
Reduce Councillors Pride Fund to £3k per ward Member	0.378
Various other efficiencies across the organisation	0.699
TOTAL GROSS SAVINGS	7.931
Less "leakage" to capital and DSG accounts	0.059
TOTAL NET SAVINGS	**7.872**

APPENDIX 11

Children's Safeguarding & Family Support – Cost Improvement Plan

Introduction:

In 2022, the number of CLA by local authorities in England rose to its highest level at 82,170, up 2% on last year and continuing the rise seen in recent years.

The increase was driven by there being slightly more CLA starting during the year than those ceasing. However, both starts and ceasing were up on last year - last year's figures were likely impacted by the pandemic. National feedback for 2022 is that:

- Referrals to children's social care during the year reflected more complex needs. Families who were just about managing pre-pandemic and would not normally come to the attention of social care are now in need of help.
- More children, who were not previously known to social care services, have presented at a later stage with greater needs and risks. As a result, more children have been immediately becoming subjects of child protection plans or proceedings.
- There has been an increase in the number of children entering and leaving care during 2021/22 and also who are in care as at 31st March 2022:
    - 31,328 children entered care during 2021/22, a rate of 26 per 10,000 0-17 population
    - 82,040 children were in care as at 31st March 2022, a rate of 68 per 10,000 0-17 population
- The number of CLA who were adopted was up 2%, however, this is a modest increase given the decrease of 18% last year due to the pandemic where court cases progressed more slowly or were paused.
- Much of the increase in looked after children has been in the older age groups - children starting aged 16 years and over up by 38% and those aged 10 to 15 years up by 13% - and male (up 15%) - suggesting UASC are largely responsible for this rise in numbers. Both the number and proportions of all CLA in the other younger age groups have fallen.
- The number of unaccompanied asylum-seeking children (UASC) is above pre-pandemic levels - after a 20% decrease last year, the numbers of UASC are up by 34%.
- The majority of looked after children are placed in foster placements, where an approved carer looks after the child. CLA were placed:
    - in foster placements - 70% - down slightly from 71% last year
    - in secure units, children's homes or semi-independent living accommodation (for example hostels, lodgings or flats where staff are employed to provide support and advice) - 16% - up from 14% last year
- The number of CLA starting during the year has increased by 9% compared to last year, to 31,010. There was a large decrease last year during the pandemic so the number of CLA starting has returned back up to the level seen in 2020.
- The current national data collections (SSDA 903 and children in need census) are only just starting to pick up these emerging trends of the needs and circumstances of the growing adolescent population of looked after children, and those on the edge of care. Specific contemporary issues continue to be cited, such as child sexual exploitation, child criminal exploitation and county lines gangs.

- Within the wider context of increased demand and reduced budgets, rising unit costs, as highlighted in the published section 251 expenditure data, particularly for looked after children, is a substantive issue for children's social care.

In Telford & Wrekin:

- There are round 45,500 people aged 0-19 in the borough, and around 56,500 in the 0-24 age bracket.
- The Borough has a higher proportion of people under 20 (25.2%) compared to the England average of 23.6%.
- As the population of the Borough grows, the number of young people aged 0-24 is set to increase to around 60,100 by 2034 – there is projected to be less young people aged 0-14 (around 800 less) whilst the growth is in those aged 15-24, with a projected increase of 4,400 people in this age group.
- Telford and Wrekin is estimated to have 1,100 children aged 5-10 and 1,500 aged 11-16 with a mental health disorder.
- The 2021 Census indicated that a total of 5,973 households in Telford and Wrekin were lone parents with dependent children, just over a quarter (26.0%) of all dependent children households within the borough. At the time of the 2011 Census, 43.5% of lone parent households were not in employment, compared to the national average of 40.5%.
- 4,550 (14.4%) of pupils have Special Education Needs Support (SEND). The proportion of pupils with SEN Support has grown from 10.9% in 2014 to 14.4% in 2021/22.
- There remain challenges for some children and young people around levels of deprivation, with 23.8% (8,600) of children aged 0-15 living in income deprived households.
- The most common risk factors identified in 2,014 assessments completed by Children Safeguarding Teams in 2021/22 were mental health (45.9%), domestic violence (31.0%), drug misuse (22.6%), and alcohol misuse (19.6%).
- The rate of children looked after per 10,000 at 2021/22 year end was 102, the same as the previous year
- 701 new families were worked with by Strengthening Families in 2021/22. In 2021/22, 80% of Strengthening Families family circle assessments identified mental & emotional health of children and young people as presenting need, an increase from 64% in the previous year. The second most common need was adult mental health at 61% and then family relationships at 52%.

The Challenges:

The challenge for children's services is to ensure that we achieve positive outcomes for children and families in the context of an increasing child population; rising demand for services including increases in cases involving a myriad of factors including mental health problems, high levels of deprivation, domestic violence, substance misuse, child exploitation, migration across local authority lines, children with special educational needs and disabilities (SEND). Alongside this, as with the national picture we are facing increased placement costs and reduced placement sufficiency.

There is strong and wide agreement on the impact of the Covid19 pandemic on children's social care, and actions to reduce both the spread and resulting harm, other factors also

came into play during this time. During the initial months of the pandemic most areas did see a reduction in demand which soon returned to a more expected level. For some authorities, there has been, and continues to be, a substantial increase in demand for services and in the complexity of presenting needs. The continued impact of welfare reforms, the current cost of living crisis and the ongoing impact of the Covid-19 pandemic have exacerbated a range of fundamental inequalities, including but not limited to, those linked to significant deprivation and child poverty. Adults experiencing domestic abuse, poor mental health and/or substance misuse, remain among the most common reasons why children come to the attention of early help and/or children's social care services.

The priorities for our children's services are reflective of the need to safely reduce the number of children and families in need of support escalating to statutory safeguarding services. There is a strong focus on the need to do more to prevent the problems leading to care entry, ensuring compliance with the principles of the United Nations Convention on the Rights of the Child (UNCRC) 1989 and the Children's Act (UK, 1989), both of which emphasise the importance of a child being cared for by their parents

Our cost 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.

Our Approach:

The main focus of the Children's Services Cost Improvement Plan (CIP) is to:

- Reduce the number of children becoming looked after;
- Increase the number of children ceasing to be looked after;
- Increase the number of children returning home to parents or family members;
- Reduce the length of time children are looked after for;
- Reduce the number of re-referrals to safeguarding;
- Reduce the number of looked after children placed in residential provision;
- Reduce the number of looked after children placed in external foster placements;
- Increase the number of looked after children placed with internal foster carers;
- Increase the number of looked after children placed with family and friend carers;

Initiatives to support the delivery of the CIP:

<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 at least 8 other English local authorities already (some with financial investment from the DfE). 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. A comprehensive data dashboard has been developed to measure impact and a phase 2 plan is in place to oversee progress.

Family Hubs

Alongside this, we also have been granted new funding as one of 75 LA's eligible for Government funding to implement a family hub model. 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. All families should 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. Improving join-up between state and non-state services and taking a whole family approach better supports 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. Universal services which are available to all local families who need them can help to spot and respond to issues before they develop into more complex problems.

To achieve this, funding will be provided to Telford and Wrekin if we complete our Expression of Interest to move to a family hub model, improve the universal Start for Life offer and transform family support as one of 75 local authority areas with high levels of deprivation and disproportionately poor health and educational outcomes, supporting the government's levelling up ambitions. We are eligible to participate in the programme because our local authority was pre-selected in rank order using Income Deprivation Affecting Children Indices.

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.

Working together across the partnership we aim to:

- Make best use of our collective resources to recruit, assess and support prospective adopters and foster carers across the region.
- Improve the quality and speed of matching for children through better planning and by having a wider choice of families.
- Provide high quality support to children and their families delivered through a combination of direct provision and effective partnerships.
- Provide all children and their families with the right support at the right time through a consistent permanency support offer available across the region.
- Respond to the regulatory requirements in respect of Adoption (including Non-Agency Adoptions and Intercountry Adoption).

<u>In-house Fostering Strategy</u>

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. The rates and benefits provided to the carers who care for some children are no longer attractive in the competitive market and as such the borough is experiencing difficulty recruiting new carers and retaining existing.

When children come into our care “in-house” fostering is the preferred option because it enables children to remain close to their connections and for the borough to support them (and their carer family).

However, options of in-house care are becoming limited due to the number of foster carers entering, the ageing cohort of existing carers, carers supporting young people post their 18th birthday (known as Staying Put) and the number of carers exiting.

In spite of a concerted effort to improve the offer to carers, some fostering families choose to no longer care for children. The success and need for Staying Put arrangements has also increased and is will likely continue to increase, thus reducing the number of available “in-house” carers further.

The Fostering Plus pilot was introduced in 2018 with the aim of working to stabilise the foster care home environment for those children and young people whose needs would have ordinarily been met by Independent Fostering Agencies (IFAs) or residential children’s homes. It has been found that by adapting in-care provision to support systemically trained and intensively supported foster carers, in house services have been able to stabilise care for children with complex needs and avoid the need to move children to residential care.

The number of children in residential children’s homes at the commencement of the pilot was 48 and the percentage of total number of looked after children was approximately 12%. We have reduced this number to a steady 8-9%.

Many new carers register interest via word of mouth and feedback from our existing foster carers is that our offer is no longer preferable to other boroughs or the independent sector. The borough is not unique in this challenge; Ofsted published a national report in November 2020 noting that recruitment of in-house carers was a significant difficulty for all the local authorities and agencies used in their study. The shortage of suitable carers was the most significant barrier to making good matches with children and ultimately identifying successful caring places for them.

In 2021, benchmarking was undertaken across other authorities' within the West Midlands. This activity focused on in-house foster carer fees and allowances and Independent Fostering Agencies. It was established that in spite of concerted efforts to recruit and retain, Telford and Wrekin Council was no longer competitive as a destination for potential carers at levels 1-3 and that payments were lower than the average across the region and lower than IFA's.

A proposal was therefore put forward to increase both the support provided and financial incentives to 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 increase was implemented in April 2022, which has enabled the authority to become financially competitive in the foster care market and ensure 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.

In addition, we have:

- 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.

We are working to look at all areas of focus that can support our cost improvement agenda within children's services with new ideas being scoped and existing initiatives evaluated to

ensure cost benefit is evidenced and sustainability is planned. It is recognised that some of our plans have been impacted by the pandemic with areas such as Family Safeguarding and our Volunteer Strategy being delayed or challenged by recruitment. However, both of these are key priorities for us as we move forward.

Child and Family Ambassador Volunteer Scheme

The service is currently reviewing the Telford and Wrekin Children's Volunteering Strategy which has been impacted by the national pandemic with inability to progress with some of the ambitious plans that we have across our services.

In addition to our existing volunteer roles, we are looking to implement is 'Parent Peers' which is similar to Family by Family, in Stoke-on-Trent, which connects "sharing families" (volunteers) who have been through tough times to support families who are currently in the same situation. Families are brought together in "link ups" and work towards goals of the family's choice.

The project is underpinned by a set of clear principles that place importance on choice, relationships and working from a place of strength rather than deficit and is a prevention model very much supported by the 2022 Independent Review of Social Care.

We are also looking to recruit volunteer drivers and volunteers to support our Strengthening Families Service. There are clear savings to be made from using volunteers and providing additional capacity for demand and supporting exit strategies for practitioners.

Systemic Practice

We are now in the sixth 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: with practitioners, managers and leaders having completed training through the Centre for Systemic Social Work. 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.

NSPCC Reunification Practice Framework

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."

Ineffective support for reunification planning is extremely costly, and is not in the best interests of children and young people. The outcomes of returning children home from care

show high breakdown rates (2 years after return 47% of the returns had broken down (Farmer et al 2011) mainly because of parental difficulties or children's behaviour. The average annual cost for each child that re-enters care from home is £62,000 compared with an average annual cost of supporting a child to return home which is just over £5,500

Family Solutions

The Family Solutions service includes Family Group Conferencing and works to achieve a number of key outcomes that each 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.

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.

The purpose of this grant was to help professionals to spot parental conflict, provide initial support and refer parents to further interventions such as therapy for a constructive resolution and prevent escalation. The programme fits with our approach to providing the right support for families at the right time and is more important than ever given the circumstances and impact of a national pandemic.

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.
- There are increasing numbers of young adults in transition to ASC with complex needs.
- 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.
- Workforce availability across health and social care.
- Telford and Wrekin has an increasingly older population with the prevalence of age related conditions.

2 Population in more detail

- The Census 2021 estimated there were 185,600 people living in Telford & Wrekin; 32,700 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 (Updated information from 2021 Census and all population is rounded to the nearest 100 as they are estimated numbers only)
- There are estimated 16,500 people over the age of 25 years old providing unpaid care to a partner, family member or other person; 3,700 people are over 65 years old. (Census 2011 – New estimates due January 2023 from Census 2021)
- There are estimated 2,600 adults between 18 and 64, and 700 people aged over 65 years old with a learning disability. In total 700 have a moderate or severe learning disability
- There are estimated 2,000 people aged over 65 years old that have dementia, by 2035 this will increase to 3,100 (60%)
- There are estimated10,200 people aged 18-64 years old that have a moderate or serious physical disability
- There are estimated 1,400 people aged over 18 years old that have autistic spectrum disorders
- There are estimated 20,400 people aged between 18 and 64 years old that have a common mental health disorder
- There are estimated 16,700 people aged over 65 years old that have a long term health problem or disability that limits their day to day activities
- There are around 3,831 working age veterans in the Borough

Please note: these are nationally produced figures for each Local Authority Area. For more information about the population of Telford and Wrekin, visit www.telford.gov.uk/factsandfigures

- As with all age groups in the Borough, a high proportion, nearly 16,000 of the working age between 16-64 adults reported having a long term illness or disability than the national average at the time of the 2011 census.

Our Model

In Telford and Wrekin Adult Social Care we continue to follow a 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 early 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 we manage the resources we have to best impact for local people with care and support needs.

We have developed a multi-year financial plan, which is up-dated at least annually. The plan assists in forecasting the financial requirements of the service model for ASC reflecting the impact on expenditure and income of population numbers, population ageing, strategic changes to service delivery and care support delivered.

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.

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 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 mental health care and support needs.

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.

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 people to live within their own home. 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.

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 of a new learning disability strategy and the Learning Disability Partnership Board enables us to develop our offer to meet current and future needs. The link below shows the latest update to Cabinet: Learning Disabilities (LD) Programme

We are currently working with partners and local people to develop an Ageing Well Strategy, an Autism Strategy and a Carers Strategy for Telford and Wrekin.

Supporting our care provider market

We have co-produced our Market Position Statement: Market Position Statement with Partners and Care Providers and are currently working with partners on a Market Sustainability PlanThese document sets out our aspirations for care delivery and signals to the market and future investors what good service delivery looks like over the next 6 years, the quality of care we aim for and the cost of that care

APPENDIX 13

TELFORD & WREKIN COUNCIL

EFFICIENCY STRATEGY

2022/23 TO 2025/26

January 2023

Foreword

This 4-year 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 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 is reducing, 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 16 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 2023/24 to 2026/27 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 2026/27.

By the end of 2022/23 the Council will have delivered ongoing budget savings of £141m; additional savings identified for 2023/24 total £7.9m rising to £16.8m in 2024/25. 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 out side 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 2022/23 the Council has delivered £141m 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 £13.5m a year.
- Delivered £14.5m procurement savings over the past 14 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.
- As part of our business winning approach, forecast to generate an extra £7.5m income by 2020, through growth in business rates and council tax since April 2013.
- Receive £3.7m in 2022/23 from the New Homes Bonus 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 2016/17 to 2022/23 £m	Savings Proposed in 2023/24 £m	Total 2016/17 to 2023/24 £m
1. Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services	3.7	1.7	5.4
2. Challenging & changing, reviewing and reimagining the way we do things.	39.0	8.9	47.9
3. Reducing our dependency on Government grants.	18.9	5.8	24.7
4. Being a modern organisation with modern practices and where we always get the basics right	4.1	0.4	4.5
Total	**65.7**	**16.8**	**82.5**

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) 2023/24, there remains considerable uncertainty about future funding streams as the local government finance system is due to be radically changed – this is delayed from April 2021 until at least 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 2023/24 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 and including 2024/25. 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 (wef April 2022 in line with the updated Government Guidance);
- 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 2021/22 £m actual	2022/23 £m estimate	2023/24 £m estimate	2024/25 £m estimate
Service transformation costs	4.3	0.2	0.5	0.5
Severance fund – to fund one off costs associated with service restructure which deliver ongoing revenue savings	8.1	0.7	1.3	1.3
Invest to save fund to develop community capacity to deliver services which the Council will no longer provide.	0.0	0.1	0.2	0.2
Total	**12.4**	**1.0**	**2.0**	**2.0**

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 2022/23 to 2025/26 total £18.8m.

3.3. Prudential Indicators

The Council's Medium Term Financial Strategy for 2023/24 to 2026/27 sets out the Council's prudential indicators for 2023/24. 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 2 March 2023.

APPENDIX 14.
TELFORD & WREKIN COUNCIL STRATEGIC RISK REGISTER

UPDATED JANUARY 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.

Corporate Strategic Risk Register

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 Change since last review =	Very High without controls – Physical Reputation Finance 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). b) Safeguarding Partnership works to develop systematic working across children and adult landscape. 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. 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. e) The combined total net budget allocation for these services will be in excess of £103m. f) A general budget contingency of £3.95m, with an additional £3m	J Britton S Dillon	**Very Low with controls** Change since last review =	**Very High with controls – Physical Reputation Finance** Change since last review =

				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. **Children:** g) Safeguarding arrangements are routinely reviewed and developed in response to new statutory requirements as they are introduced h) Workforce development strategy – recruitment and retention, learning and development including Systemic Practice across the Council's children's workforce. i) Children's Services - systematic quality assurance role for all managers from frontline Team Manager through to CEX and DCS j) No staff savings target for Children's Social Workers k) A comprehensive package of market factors and recruitment and retention incentives have been implemented to aid the recruitment and retention of social workers			

				l) Work to national inspection standards and respond to actions required from inspections. 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. 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. o) 'Essential learning' for all employees includes both child protection and CSE. **Adults:** p) Adult safeguarding part of Safeguarding Partnership in compliance with Care Act requirements and new Adult Safeguarding Guidance & Regulations. q) Adult Services - systematic quality assurance role for all managers from frontline team manager through to DAS 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. 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: a) Match available resources (both financial, people and assets) with statutory obligations, agreed priorities and service standards b) deliver financial strategy including capital receipts, savings and commercial income c) fund organisational and cultural development in the Council within the constraints of the public sector economy	Very High without controls Change since last review **=**	Very High without controls – Physical Reputation Service Change since last review **=**	a) Robust commercial approach taken by Council services in terms of increasing income generation b) Rigorous medium term financial planning and regular monitoring and active management through S&FPG, SMT, Business Briefing and Cabinet. 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 d) 'Savings programme, service reviews and restructuring. e) Staffing, economic and environmental impact assessments of all savings proposals and appropriate consultation mechanisms in place.	D Sidaway K Clarke	**Low with controls** Change since last review **=**	**Very High with controls – Physical Reputation Service** Change since last review **=**

				f) In-year savings exercises possible if necessary g) Rationalisation of Council assets and accommodation h) Prudent level of uncommitted one-off resources and in-year budget contingency of £3.95m i) Delivery of capital receipts/rigorous monitoring of capital receipts realisation and impact on the budget 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 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 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 current cost-of-living emergency. m) Safeguarding Children Cost Improvement Plan in place			

				which is monitored by senior officers and members. n) Adult Social Care Cost Improvement Plan in place which is monitored by senior officers and members. o) Commercial project(s) for additional income generation as well as wider economic, social and regeneration purposes p) Housing Investment Programme 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 r) Specialist legal and taxation advice taken as required s) Active Treasury Management in conjunction with regular advice and updates from specialist Treasury Management Advisors t) Cabinet Members regularly briefed u) All necessary strategies, policies and procedures in place to fully comply with CIPFA and MoHCLG codes and regulations with regular review v) Established approval process for agreement of business cases for new investment from			

				w) the Council's Growth Fund and Invest to Save/Capacity Fund. 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 Change since last review =	High without controls – Financial Reputation Service 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: • 'Our workforce will have the skills and abilities to deliver our priorities and will have the opportunity to further develop • Our managers will be leaders and will empower staff to deliver our priorities • 'Our organisation will be more diverse and inclusive offering a voice and fair treatment for all'	D Sidaway	**Medium with controls** Change since last review =	**High with controls – Service Reputation Finance** Change since last review =

				• 'Our workplace will be healthy and we will support our employees' wellbeing' b) Senior Management, SDM and team leader development programmes. c) Each service area has a workforce plan considering • skills gap analysis and needs • apprenticeships d) Specific HR policies: • use of market factor weighting for key groups • flexible working policy • staff benefit schemes e) "Grow your own" scheme for roles that are hard to recruit to. f) Review of induction programme and ongoing training and development completed g) Lean Review of recruitment process and the development of the Council's employment "offer" h) Council values, ethos, rewards and recognition i) Annual Personal Performance and Development discussions for all staff along with regular one to one meetings involving employees and their line managers.			

				j) Staff awards ceremony to celebrate and encourage outstanding performance. 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 Change since last review =	Very High without controls – Physical Reputation Service 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. b) Continuity plans tested in live environment during the pandemic and also through scenario testing. c) Serious Incident Protocol has been adopted. d) Continue to invest in ICT capital programme. Data centre investment complete. e) Improvement/upgrade/replacement of key ICT systems ICT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans. f) Roll out of “office 365” and the cloud computing. g) Investment in cyber security and awareness programme and training (see risk 7 also).	J Rowe / Angie Astley	**Low with controls** Change since last review =	**Very High with controls – Service Reputation** Change since last review =

				h) Implementation of a 3rd generation firewall. 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.			

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). .	Very High without controls Change since last review =	Very High without controls – Physical Reputation Financial Change since last review =	a) Reviewing, writing and monitoring of health and safety policies through SMT and Health and Safety Committee. 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. c) Significant findings of the audits are reported back though SMT and Health and Safety Committee.	J Rowe Liz Noakes	**Low with controls** Change since last review =	**Very High with controls – Physical Reputation Finance** Change since last review =

				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. e) Lone worker and lone member risk assessments undertaken and appropriate processes are in place (and use of the Stay Safe system). f) Building security kept under review. g) System in place for reporting all accidents, incidents and near misses. Non reportable accidents investigated by service area. 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 i) Training provided on Health and Safety through a mixture of e-learning and face to face. j) Essential learning training for all employees includes health and safety and fire safety awareness. k) Regular meetings with Trade Unions			

				l) Coordination and management of Personal Safety Precautions Risk Register to ensure safety of employees. m) Appointed Cyber Security Manager to review and improve cyber security where required. n) Cyber security part of essential learning for all employees. o) Corporate review of list of 1st aiders to ensure adequate resource in place p) Corporate review of list of fire marshals to ensure adequate resource in place q) Enhanced risk assessments for specific individual/services r) Updated personal safety training 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 Change since last review =	Very High without controls – Financial Reputation Change since =	a) The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies) b) Small dedicated team promoting sound Information Governance within the Council and ensuring	D Sidaway	**Low with controls** Change since last review =	**High with controls – Reputation Finance** Change since last review =

			last review	that good practice is shared across the Council c) Training and awareness programme put in place and Information Governance modules form part of induction and essential learning programmes. d) Data Protection Officer reports regularly to SMT on IG related matters e) Data Protection Officer attends a number of management team meetings. f) General Data Protection Regulations 2018 implemented. g) SMT oversight of reported data breaches h) All data breaches recorded, investigated and lessons learnt identified i) Detailed report is sent to relevant Director in respect to breaches occurring in their service area j) Directors email all employees that have contributed to a data breach or incident highlighting the potential consequences. k) Information Governance related posters in all main Council buildings l) Staff complete randomly generated questions on data protection/information security every quarter			

				m) Regular bulletins on information governance related matters published in staff news letter n) Completion of annual Data Security and Protection (DSP) toolkit. o) Annual Governance Statement process encompasses key information governance related matters 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 Change since last review =	Very High without controls – Environment Financial Service Change since last review =	a) Work collaboratively with other LRF partner agencies, maintaining effective working relationships with the relevant bodies b) Maintain appropriate levels of trained staff to be able to respond to an emergency. c) Maintaining appropriate, risk based contingency plans (Civil Resilience Team) which are reviewed on regular basis d) Gorge – Phase II at Jackfield complete. e) Operation 'Tangent' – multi agency plan to respond to landslide in the Gorge is in	Exec Directors / Liz Noakes	**Very low with controls** Change since last review =	**Very High with controls –** **Service Reputation Finance** Change since last review =

				place and is reviewed and exercised regularly 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. g) Provider contract monitoring in place. h) Public health mechanisms in place to manage response to significant incidents. 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 Change since last review =	Very High without controls – Environment Reputation Financial Change since last review =	a) Investment in highways capital programme. b) Corporate capital budget specifically for projects that support climate emergency projects is included within capital programme. c) Monitor ground stability in the Gorge and water levels. d) Use and testing of flood barriers in Ironbridge	A Astley	**Medium with controls** Change since last review =	**High with controls – Environment Reputation Finance** Change since last review =

				e) Working with street scene contractors to monitor impact on public realm. 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. g) Delivering a wide range of schemes to reduce carbon emissions. h) Driving partnership engagement and action on climate change including setting up the Telford and Wrekin Borough Climate Change Partnership i) Addressing biodiversity through actions plans. j) Established the Telford and Wrekin Climate Change Partnership action plan. k) Climate Emergency is at the forefront of the Council's priorities. l) New Council priority defined – 'Our natural environment is protected – we are taking a leading role in addressing the climate emergency m) Strong relationships with key partners including the Environment Agency. n) Work of the Environment Scrutiny Committee			

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.

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 over £141m 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 2023/24 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 increase and proposed savings package put forward in this report, the projected budget remaining gap over the following three years (2024/25, 2025/26 and 2026/27) for the Council is currently estimated to be around £4.4m, 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 use of £5.95m balances (identified from a comprehensive review of reserves and provisions undertaken during 2022/23), no use of the Budget Strategy or General Fund Balances to balance the budget in 2023/24 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: £2.5m investment in Children's Safeguarding, giving a net budget of over £41m in 2023/24; and investing an additional £7.26m in Adult Social Care in 2023/24, taking its net budget to over £61m in 2022/23.

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 £364m 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 £141m 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 2023/24 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 £3m has been earmarked corporately for inflation and pay awards. 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.

2023/24 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 and £11.5m allowance for pay and contract inflation. A review of reserves and balances has been undertaken which has identified uncommitted balances of just over £20m, prior to any change at 2022/23 year end, which is taken into account as part of this medium term financial strategy.

The Council has seen additional demand and increasing costs for many services, including Adult Social Care and Children's Safeguarding. Together with the budgeted contingency it is anticipated that the 2022/23 position will end the year within the budget set.

Further information can be found in the Financial Monitoring Report also on this agenda.

<u>Inflation/Pay Awards</u>	
Pay Awards	An allowance of 3% for 2023/24, followed by 2% in the following 3 years. The assumption for teachers pay in 2023/24 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 2023/24. 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 2023/24 which could be used to supplement provision for inflation/pay awards if necessary.
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.

	The key service pressures identified for the medium term relate to Adult Social Care and Children's Safeguarding & Family Support. 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 2023/24 budget includes additional investment of £2.5m into the service, giving a net budget of just over £41m in 2023. 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 2024/25 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. 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 £7.2m in 2023/24, taking the total budget to over £61m. 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 funding has been delayed and is now unlikely to be introduced before 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 likely that any new system would have transitional arrangements in place to part-mitigate any immediate financial impact. 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 2023/24 has been based on local information, including prudent provision for outstanding appeals. The position will be closely monitored.
Council Tax	The Council proposed a freeze on the general level of council tax for both 2022/23 and 2023/24 in March 2022; the Government's "Social Care Precept" was applied in 2022/23 (1%) and will also be applied in 2023/24 (2%). Confirmation of the referendum limit thresholds for 2023/24 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	The Council is continuing its Local Council Tax Reduction (CTR) Scheme in 2023/24. The CTR scheme is a banded discount scheme with levels of discount awarded ranging between 25% and 90% depending on family size and weekly income. 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 2023/24. As part of the Council's response to the cost of living emergency, in 2023/24 the Council is making an extra payment of £100 to CTR customers to help meet their Council tax liability – details are included in Appendix 16.
Interest Rates	The Bank of England has continually increased the base rate throughout 2022/23 as a measure to control increasing inflation, which hit a 40 year high of 11.05% in October. In December, based rates stood at 3.5%, its highest level in 14 years and an increase of 2.75% since April 2022. It is anticipated that base rates will continue to rise, peaking mid 2023 at 4.5% before falling from January 2024 onwards. Our investment and borrowing strategies for 2023/24 are set within this context. The interest rate assumption for new borrowing is 4.4% in 23/24, falling to 3.5% in subsequent

	years which is based on advice from the Council's independent Treasury Management advisors. There is however considerable uncertainty in relation to projected interest rates due to the cost of living emergency and how quickly the economy will recover. This will be monitored closely and is likely to 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 for long term rates built in to the budget will be considerably less resulting in reduced in-year surpluses. 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 2023/24 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 2023/24 Treasury Strategy was presented to Audit Committee on the 24 January 2023 for their consideration and comments. The Committee will monitor progress during the year.
Non-Treasury Investments	The Investment Strategy for 2023/24, 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 2022 for the 2023/24 Dedicated Schools Grant was £202m (including academies). There are four blocks making up the total DSG figure: • Schools; • High Needs; • Early Years; and • Central School Services.
Schools Block	The largest of these four blocks is Schools, which funds mainstream schools. This has increased by approximately £11.5m in 2023/24 to £154m. 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 £33.5m. This too has increased compared to 2022/23, by around £3m. Despite the funding increase, high needs budgets will remain under pressure, due to increasing demand for high needs support.
Early Years	The Early Years block, £13.6m, will be adjusted for actual numbers of early years pupils in January 2023 and January 2024 and so will be finalised retrospectively in Summer 2024. The increase in funding per child in early years is 1.1% for 2 year olds and 2.9% for 3 and 4 year olds, considerably less than inflationary pressures..
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 2023/24 to cover costs of statutory services that apply only to mainstream schools, but nonetheless the removal of the ESG has represented a further significant loss of funding to local authorities. The government also announced in January 2022 that it would remove half the School Improvement & Brokering Grant in 2022/23 with the remaining half being removed in 2023/24. The full total of the grant for T&W was £182k in 2021/22. The Schools Forum have been requested to de-delegate funding for 2023/24 to cover the cost of statutory duties previously funded by this grant.

Additional Schools Grant	Following the Autumn Statement, further funds have been allocated to schools. A further £5m will be allocated to T&W mainstream schools from this additional grant. Taken together with the increase in DSG, according to DfE figures this will result in an average increase of 5.9% per pupil for T&W mainstream schools. In addition a further £1.4m has been allocated to high needs.
Estimates on the level and timing of capital receipts	The revenue budget and capital programme assume around £25m anticipated future capital receipts over the medium 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. There is currently a Flexible Use of Capital Receipts Direction in place in relation to Transformation projects for the years 2022/23 up to and including 2024/25. 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 2023/24 budget strategy. The MRP policy is in line with the previous year. 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. Full details of the MRP approach is included in the Treasury Strategy report (also on this agenda). 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. 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. 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.
Single Status	The Single Status process is in progress with planned implementation in April 2024. An allowance for costs has been built into the budget for 2024/25 of £1.18m ongoing (with 2024/25 itself being funded from an earmarked reserve and the cost being included in the base budget wef 2025/26). In addition, a provision totalling £8.92m is also available. There is the potential for some exposure to liabilities from back pay and equal pay claims which along with any other one-off costs (such as a potential period of pay protection for employees who see their pay reduced) could be met from this one-off provision.
Savings	The Council has an excellent track record of delivering savings in accordance with agreed plans. Since 2009/10 savings totalling over £141m have been delivered and the outturn position has consistently been within budget. Additional net savings totalling £7.9m in 2023/24, rising to £16.7m in 2024/25 have been identified. Work will continue to identify additional income and savings to bridge the potential budget shortfalls currently projected for future years. 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 2023/24 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	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

major calls on contingencies	against available balances as outlined earlier in this appendix and concluded that around £20m is available to use in the overall budget 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. The overall projected net indebtedness position at 31 December 2022 was £246.2m; net additional prudential borrowing anticipated in 2023/24 is £125.8m, 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 £25m 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. The assumed council tax collection rate for 2023/24 is 99.25%. For each 1% not collected the cost is approximately £0.794m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year. Cumulative collection rates to date for recent years are 2014/15 99.54% 2015/16 99.51% 2016/17 99.40% 2017/18 99.30% 2018/19 99.13% 2019/20 98.91% 2020/21 98.78% 2021/22 98.28% 2022/23 63.33% Final recovery rates for all years are normally projected to be over 99.25%. Collection rates are regularly monitored and reported to Cabinet.
The authority's track record in budget and	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 13 years: • 2009/10 – underspent by £0.332m (0.27% of budget)

financial management	• 2010/11 – underspent by £0.083m (0.07% of budget) • 2011/12 – underspent by £1.843m (1.42% of budget) • 2012/13 – underspent by £0.055m (0.04% of budget) • 2013/14 – underspent by £0.099m (0.07% of budget) • 2014/15 – underspent by £1.145m (0.89% of budget) • 2015/16 – underspent by £0.121m (0.10% of budget) • 2016/17 – underspent by £0.167m (0.14% of budget) • 2017/18 – underspent by £0.150m (0.12% of budget) • 2018/19 – underspent by £0.275m (0.23% of budget) • 2019/20 – underspent by £0.146m (0.12% of budget) • 2020/21 – underspent by £0.039m (0.03% of budget) • 2021/22 – underspent by £0.048m (0.04% of budget) 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. 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. 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 2023/24
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 13,411 claimants, of which 7,989 are of working age. Residents who are of state pension age (a minimum 66 years of age for both men and wo
men) 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 2022/23 the scheme was approved at the meeting of 3 March 2022 – minute 188 paragraph n.

The three main drivers for proposing 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.

The Covid-19 pandemic brought many challenges to our residents including financial changes which made analysing the impact of the CTR scheme from April 2020 difficult. For example, the increase and subsequent removal of additional Universal Credit income.

Council tax collection rates during the first year of the pandemic reduced for both working age CTR customers (52.67% at end of November 2019 reducing to 52.28% at the end of November 2020) and non CTR customers (73.37% at end of November 2019 reducing to 70.89% at the end of November 2020). This suggested that it was the impact of the pandemic, including temporary changes to Council Tax recovery action, rather than the changes to the CTR scheme.

By the end of November 2021 the Council Tax collection rates for both working age CTR customers and non CTR customers had improved to 56.95% for working age CTR customers and 72.45% for non CTR customers. Whilst non CTR collection rates were not quite at pre pandemic levels the fact that CTR collection rates were higher than pre pandemic rates suggested that the changes to the policy from April 2020 had not adversely affected the most financially vulnerable residents.

The council tax collection rates have reduced slightly when comparing the end of November 2021 to end of November 2022, with the rates of working age CTR customers reducing by 0.44% to 56.51% and the rate for non CTR customers reducing by 0.21% to 72.24%. This is no doubt due to the rise in inflation and current state of the economic climate. It is also worth

noting that in 2020/21 and 2021/22 an additional payment was made to help working age CTR customers, through funding received as a result of the pandemic, but this additional payment was not available in 2022/23. Despite this collection figures for working age CTR customers remains higher than before the changes were made to the CTR scheme in 2020, which again indicates that the changes made have not adversely affected our CTR customers and suggests that the scheme has redistributed more help to the most financially vulnerable residents.

The Council Tax Reduction Hardship Assistance policy has also assisted those residents who needed extra financial help to adjust to the changes or those working age recipients of CTR who require extra assistance.

The Department for Levelling Up, Housing and Communities (DLUHC) is providing a Council Tax Support Fund for 2023/24. DLUHC expects Local Authorities to fund further reductions in the council tax liability of individuals receiving Council Tax Reduction with an outstanding council tax liability, by up to £25. The Council will also be funding additional help of up to £75 per resident in receipt of Council Tax Reduction, to reduce their council tax liability to an overall total of up to £100 in addition to any Council Tax Reduction. This is being funded by the Council. Further details can be seen in the addendum to the Council Tax Reduction Hardship policy.

As there have been no major changes in Government Policy we are not proposing any local changes to the scheme for 2023/24 except for the up-rating of amounts within the income grid. The scheme will take effect from 1 April 2022 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 2023/24.

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 2023/24 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

Annex I -	Council Tax Reduction Scheme Policy for 2023/24 under S13A (1) (a) and Schedule 1a of the Local Government Finance Act 1992 can be downloaded at www.telford.gov.uk/CTR202324

Annex II - Council Tax Reduction Hardship Assistance Policy from April 2023.

Telford & Wrekin
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Council Tax Reduction
Hardship Assistance Policy
ANNEX II

Effective from 1 April 2023

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.

11. Addendum for 2023/24 Only

Due to the cost-of-living crisis the Council has decided to fund a £100 one-off reduction for those in receipt of Council Tax Reduction on 1 April 2023. This will in part funded by the Council Tax Support Fund provided by the Department for Levelling Up, Housing and Communities (DLUHC). DLUHC expects Local Authorities to fund reductions in the council tax liability of individuals receiving Council Tax Reduction with an outstanding council tax liability, by up to £25.

Where possible the Council will apply the deduction to the annual Council Tax bill for 2023/24. The following principles will be followed:

- A further reduction of the annual council tax bill of up to £100 will be made for the financial year 2023-24 for customers in receipt of Council Tax Reduction on 1 April 2023.

- Where a taxpayer's liability for 2023-24, following the application of relevant discounts including Council Tax Reduction, is less than £100, then their liability will be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available.

- There is no need for a recipient of Council Tax Reduction to make a separate claim for the £100 reduction and it will be applied automatically.

- Whether or not a taxpayer has been affected by cost of living crisis, directly or indirectly, will not be taken into account in assessing eligibility for the reduction.

- Where individuals are jointly and severally liable for Council Tax and one or more of the individuals are entitled to working age Council Tax Reduction a reduction of up to £100 will be applied to the liability of the whole property (regardless of how many of the individuals are in receipt of Council Tax Reduction).

APPENDIX 17.

TELFORD & WREKIN COUNCIL - Pay Policy Statement – 2023/24

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 2023.

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

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 £10.90 with effect from 1st January 2023. (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 2022.

a) Chief Executive
The substantive salary of this post is £163,577 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 £123,238 to £132,290 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 £94,845 to £104,130 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. A market forces supplement of £9,635 per annum is payable to the Executive Director: Children's Services. 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

7.2 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 30th November 2022, this was £20,258 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 2022 define the multiple between the lowest paid (full time equivalent) employee and the Head of Paid Service as 1:8.1 and between the lowest paid employee and average Chief Officer as 1:5.4 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 2022 was £25,878 per annum, (£13.41per hour). The multiple between the Head of Paid Service and this median point was 1:6.3 and the average Chief Officer is 1:4.2.

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.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2 March 2023

2023/24 Capital Strategy

Cabinet Member:	Cllr Rae Evans, Cabinet Member - Finance, Governance & Customer Services
Lead Director:	Ken Clarke, 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:	Key Decision
Forward Plan:	09 November 2022
Report considered by:	SMT - 17 February 2023 Business Briefing - 26 January 2023 Cabinet - 16 February 2023 Full Council – 2 March 2023

1.0 Recommendations for Decision/Noting

It is recommended that full Council approves:

1.1 the Capital Strategy for 2023/24

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 ~~I~~mplications

8.1 The financial implications arising from the Capital Strategy are included in the 2023/24 Medium Term Financial Strategy Report.

9.0 Legal and HR Implications

9.1 The Capital Strategy is required to meet the requirements of the Prudential Code for Capital Finance.

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 2023/24 Treasury Strategy
2 2023/24 Prudential Indicator Report
3 2023/24 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	12/01/23	20/01/23	KC
Finance			
Legal			

APPENDIX A

CAPITAL STRATEGY OVERVIEW – 2023/24

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 • Capital Financing • Asset Management Plan • Highways & Transport Capital Programme	• Economic & Interest rate forecasts • Treasury Investment Strategy • Treasury Borrowing Strategy • 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, and the Council has 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 :

- National and International economic pressures resulting in an extremely challenging financial outlook for UK public services
- Rapidly rising costs including energy, food and interest rates which place pressure on the Council's own budgets
- The impact of rising interest rates, the highest rates of inflation for 40 years and a prolonged anticipated economic recession on our residents and businesses resulting in the Council declaring a cost of living emergency at Full Council on 10 November
- The cost of living emergency resulting in escalating demand for many Council services adding to the financial pressures facing the Council
- A one year Local Government Finance Settlement, not extending beyond March 2024
- the significant potential changes to the local government finance system which are unlikely to be introduced before the next general election; together with the Adult Social Care funding reforms which have been delayed until October 2025

The Council has faced the challenge of making significant savings, totalling £141m 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.

While many other councils have focussed on making cuts and neglected growth and stopped major development projects, Telford & Wrekin Council will continue to prudently invest to create jobs and safeguard the future prosperity of the Borough and its residents.

Proposed Medium Term Financial Strategy 2023/24 to 2026/27 Agenda Item 6 Final Medium Term Financial Strategy – Full Council 2 March 2023	Agenda for Cabinet on Thursday 5 January 2023, 10.00 am - Telford & Wrekin Council

Including: Revenue Budget Strategy; Capital Strategy; Capital Programme; Treasury Strategy; Prudential Indicators	

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, as well as delivering. 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 balance sheet 31 March 2022 is shown below

	£m
Long Term Assets	
Property, Plant & Equipment	594.072
Investment Properties (Property Investment Portfolio)	122.275
Intangible Assets	2.390
Long Term Investments (Nuplace Equity)	16.900
Long Term Debtors (of which the loan to Nuplace is £42.642m)	42.927
Total Long Term Assets	**778.564**
Investments	
Short Term Investments – call accounts/bank account	36.522
Short Term Investments – cash	0.121
Total Investments	**36.643**

Borrowing	
Long-Term Borrowing	231.313
Short-Term Borrowing	51.43
Total Borrowing	**282.743**

Total borrowing at 31 March 2022 was £283m which was an increase of £1.7m compared to 31 March 2021, due to capital expenditure. It is evident from the balance sheet that the value of long-term assets outweighed the total borrowing at 31 March 2022.

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 In 2023/24, the Council has planned capital expenditure of £364.1m which is shown below together with future years allocations:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
General Fund Services	69.006	97.294	19.227	7.855	5.357
Housing Investment Programme (NuPlace)	6.628	28.075	25.826	10.150	0.000
Property Investment Portfolio	9.671	42.725	22.000	0.000	0.000
Telford Land Deal	1.855	12.864	5.602	0.000	0.000
Total	**87.160**	**180.958**	**72.655**	**18.005**	**5.357**

4.3 Over the medium term, the main General Fund capital projects are:

- Over £40m for transport and Highways schemes including funding for repair of potholes, footways, drainage schemes, street furniture, refreshing road markings, road safety schemes, parking and sustainable travel schemes. The Council's continued commitment to investment in our highways has seen a significant improvement to our network in recent years which has, in part, been supported by our ability to successfully bid for external funding to support many initiatives.
- Over £40m for education capital projects including investment in school expansion projects to increase pupil places
- 10m for affordable and specialist housing programmes
- Over £11m for a range of housing initiatives, including affordable warmth, empty properties, rough sleeper and temporary accommodation
- £8.7m for a swimming pool in the Dawley area
- £4m funding to progress development of "stalled sites"
- £1.8m into the Stronger Communities Project, a package focused on bringing back key brownfield sites into use, as well as providing a stimulus to the delivery of Station Quarter the next phase of the transformation of Telford Town Centre
- Over £22m for Towns Fund projects
- Almost £5m for Pride in Your High Street schemes
- £3.7m for Environmental Improvements/ Enhancements and funding of £2.8m 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, 2022/23 onwards, covered later in this report and included in the Investment Strategy, are:

- In the Housing Investment Programme, Nuplace (£70m),
- Property Investment Portfolio (£74m)

- As part of the HCA Land Deal (£20.3m)

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

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Capital Receipts	13.161	0.410	5.250	0.000	6.000
Government Grants	33.745	40.794	7.086	0.000	0.000
Revenue & External Contributions	8.653	13.911	5.603	0.000	0.000
Borrowing	31.601	125.843	54.716	18.005	-0.643
Total	**87.160**	**180.958**	**72.655**	**18.005**	**5.357**

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 2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
MRP	4.123	4.742	6.293	6.626	6.836

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 currently consulting on changes to the regulations relating to MRP. It is currently intended that the proposed changes will take effect from April 2024 at the earliest. When the revised basis is finalised, going forward, the Council will prepare its budget on the revised basis.

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

	31.03.22 £m	31.03.23 £m	31.03.24 £m	31.03.25 £m	31.03.26 £m	31.03.27 £m
General Fund Services	383.374	402.480	453.137	455.123	457.870	454.489
Housing Investment Programme	59.454	64.054	92.129	117.744	127.852	127.845
Property Investment Portfolio	53.512	57.617	100.342	121.650	121.632	121.614
Solar Farm	3.800	3.800	3.800	3.800	3.800	3.800
Total	**500.140**	**527.951**	**649.408**	**698.317**	**711.154**	**707.748**

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 2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Capital Receipts	13.161	0.410	5.250	0.000	6.000
Total	**13.161**	**0.410**	**5.250**	**0.000**	**6.000**

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 2025. 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 £301.3m borrowing at an average interest rate of 2.6% and £24.8m treasury investments at an average rate around 1.56% (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

	31.03.22 £m	31.03.23 £m	31.03.24 £m	31.03.25 £m	31.03.26 £m	31.03.27 £m
Debt (incl. PFI & Leases)	333.623	362.322	484.922	536.022	551.322	550.403
CFR	500.140	527.951	649.408	698.317	711.154	707.748

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

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Authorisation Limit Borrowing	495	565	625	645	645
Authorisation Limit PFI & Leases	64	54	54	54	54
Authorisation Limit Total	**559**	**619**	**679**	**699**	**699**
Operational Limit Borrowing	475	545	605	625	625
Operational Limit PFI & Leases	60	50	50	50	50
Authorisation Limit Total	**535**	**595**	**655**	**675**	**675**

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 Section 6 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 advice 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

	31.03.22 £m	31.03.23 £m	31.03.24 £m	31.03.25 £m	31.03.26 £m	31.03.27 £m
Short-term investments	36.522	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.

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 £122.3m at 31 March 2022 and is anticipated to generate around £8.7m rental income in 2022/23 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 7 years the Growth Fund has operated, £55.7m investment to date has been made into a range of investments which are anticipated to help deliver approximately 1,105 new jobs. 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. These investments are forecast to generate an average ongoing gross return on investment, including additional retained business rates income, of 6.9%, (4.4% 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 £17.5m into the Growth Fund, taking the total investment to £74m into the Growth Fund from 2022/23 to 2025/26, 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 Council Finance & Governance.

7.5 Further information about the Growth Fund can be found in separate reports to Cabinet on 2 January 2020 and 18 February 2021

Creating a Better Borough – The Telford Land Deal and Growth Fund Cabinet 2 January 2020 – Agenda Item no. 8 Cabinet 18 February 2021 – Agenda Item no. 9	Agenda for Cabinet on Thursday, 2 January 2020, 11.00 am - Telford & Wrekin Council Agenda for Cabinet on Thursday, 18 February 2021, 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
- 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 2022 the Council had £16.9m equity invested in Nuplace and the loan totalled £42.6m. 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 2021/22 Nuplace made a net profit of £0.564m before taxation and had net assets of £35.4m at 31 March 2022 (in total, assets have been revalued upwards by £16.6m since 2017/18). Since 2015/16, the Council has received net income totalling £7.9m 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 Capital allocations for the Housing Investment Programme totalling £70.7m are contained within the Council's Medium Term Financial Strategy 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. The Council receives 5.29%, 5.18% and 4.25% interest on the loans charged to Nuplace, per annum. Net

income from Nuplace, including loan interest, was £1.8m in 2021/22 and is projected to be around £2.0m in 2022/23. 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 19 May 2022 and in the published Statement of Accounts for Nuplace.

Housing Investment Programme Telford & Wrekin Homes Cabinet 19 May 2022 Nuplace Statement of Accounts 2021/22	Housing Investment Programme - Report.pdf (telford.gov.uk)

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 delivering an average of £0.2m net annual income p.a. (in 2022/23 this is projected to be £0.7m due to market conditions); 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 £41.9m have been secured, enabling the delivery of 1,284 new homes and enabling over 1,926 new jobs. The Council has facilitated spend of £21.9m in bringing forward sites for development recouped from land sales and the total profit share delivered to the Council to date is £6.97m gross, £4.23m after setting aside £2m for constrained/liability sites and £0.75m 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 £20.3m 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 on 2 January 2020 and an update report to Cabinet on 18 February 2021.

Telford Land Deal Update Cabinet 13 October 2022	Cabinet Report Template - Feb 2013 (telford.gov.uk)

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 £360m on 31 March 2022) 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 £14.1m in the 2021/22 Statement of Accounts, which includes a provision for Single Status and NDR Appeal costs. At 31 March 2022 the Council had no major contingent liabilities.

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

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Debt Charge as a proportion of net revenue stream	4.51%	7.65%	7.70%	8.51%	8.72%

12.2 The ratio is lower in 2022/23 which reflects the impact of temporary borrowing, at low interest rates, during the year.

12.3 Within the MTFS a prudent interest rate of 4.4% has been assumed for new borrowing in 23/24, and then 3.5% for all future borrowing requirements from 2024/25 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 4.4%) 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 2026/27 totals £198m; 1% interest on this would in total be £1.98m (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 £141m, 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.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2 March 2023

Medium Term Financial Strategy 2023/24 – 2026/27: Capital Programme

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Cabinet Member:	Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services
Lead Director:	Ken Clarke - 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:	N/A
Report considered by:	SMT - 17 January 2023 Business Briefing – 26 January 2023 Cabinet – 16 February 2023 Full Council - 2 March 2023

1.0 Recommendations for decision:

Members are asked to approve:

1.1 The report and associated capital estimates for 2022/23 and 2023/24 to 2026/27, which incorporates the Capital Programme (Appendix A), the Planned Building Maintenance Programme (Appendix B) and the two year Highways and Transport capital investment programme (Appendix C).

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 Maintenance Programme (Appendix B).

(ii) Delegation to the Director: Neighbourhood and Enforcement Services to deliver the Highways and Transport Capital Investment Programme (Appendix C).

(iii) Delegation to the Director: Communities, Customer and Commercial Services to allocate the block approvals for climate change initiatives.

2.0 Purpose of Report

2.1 The report details the revised capital programme for 2022/23 and the proposed capital programme for 2023/24 to 2026/27, 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 2022/23 to 2026/27 at a value of £364.1m that includes the proposed capital investments included in the overall budget strategy. The report also sets out the Council's proposed planned Building Maintenance programme, particularly focusing on 2023/24 and the two year Highways & Transport capital investment programme.

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.

The Asset Management Plan, approved at Council 28 February 2019, sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme for 2023/24. The Building Investment Programme, Appendix B, and Highways & Transport Investment Programme, Appendix C, have been set in accordance with the proposed budget for 2023/24 – 2024/25.

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 £141m by the end of 2022/23, 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 has 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: 2022/23 – 2026/27

During 2023/24, we are planning to invest **£181.0m** as part of a **£364.1m** 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	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Adult Social Care	1.934	1.934	0.000	0.000	0.000	0.000	0.000
Communities, Customer & Commercial Services	24.853	6.970	8.361	5.522	2.000	2.000	0.000
Corporate Items	7.519	1.000	2.1000	2.000	2.419	0.000	0.000
Education & Corp. Parenting	40.349	14.776	23.988	1.585	0.000	0.000	0.000
Finance & HR	0.475	0.095	0.095	0.095	0.095	0.095	0.000
Health, Wellbeing & Commissioning	0.005	0.005	0.000	0.000	0.000	0.000	0.000
Housing, Employment & Inf	26.341	9.219	17.122	0.000	0.000	0.000	0.000
Neighbourhood & Enforcement Services	45.165	20.176	13.732	7.257	2.000	2.000	0.000
Policy & Governance	0.451	0.130	0.062	0.135	0.062	0.062	0.000
Properity & Investment	217.043	32.855	115.498	56.061	11.429	1.200	0.000
Total	**364.135**	**87.160**	**180.958**	**72.655**	**18.005**	**5.357**	**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 2023/24 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 2022/23 – 2026/27 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 £6.8m for Operational Properties (excluding schools) and £16.6m for Schools / Education properties.

The Building Investment Programme as identified 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 2022/23 is £2.1m for Educational Assets and £0.7m 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 2022

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

		2017	2018	2019	2020	2021	2022

Schools	P1-P3	£18,719,548	£18,434,265	£18,182,752	£18,267,205	£17,112,347	£16,612,040
Operational	P1-P3	£5,700,431	£5,417,208	£5,680,437	£5,629,287	£5,177,048	£6,825,859

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 2023/24 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 5th January 2023. 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 & Extenal Funding (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Total	28.167	8.653	13.911	5.603	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	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Adult Social Care	0.005	0.005	0.000	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 & Corp. Parenting	38.320	12.806	23.929	1.585	0.000	0.000	0.000
Finance & HR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health, Wellbeing & Commissioning	0.005	0.005	0.000	0.000	0.000	0.000	0.000

Supplementary Grants (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Housing, Employment & Inf	4.987	4.987	0.000	0.000	0.000	0.000	0.000
Neighbourhood & Enforcement Services	16.962	6.448	5.257	5.257	0.000	0.000	0.000
Policy & Governance	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Properity & Investment	21.346	9.494	11.608	0.244	0.000	0.000	0.000
Total	**81.625**	**33.745**	**40.794**	**7.086**	**0.000**	**0.000**	**0.000**

4.7.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £24.821m 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 2022/23 up to and including 2024/25 which the Council will utilise and is included in the Medium Term Financial Strategy.

Capital Receipts (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Total	24.821	13.161	0.410	5.250	0.000	6.000	0.000

4.7.4 Prudential Borrowing Regime

Within the Medium Term Financial Strategy for 2022/23 to 2025/26 the level of Prudential Borrowing assumed is as follows:

Prudential Borrowing (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Total	229.522	31.601	125.843	54.716	18.005	(0.643)	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 (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Grant Allocations							
Adult Social Care	0.005	0.005	0.000	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 & Corp. Parenting	38.320	12.806	23.929	1.585	0.000	0.000	0.000
Finance & HR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health, Wellbeing & Commissioning	0.005	0.005	0.000	0.000	0.000	0.000	0.000

Resources (£m)	Total	2022/23	2023/24	2024/25	2025/26	2026/27	Later Year
Housing, Employment & Inf	4.987	4.987	0.000	0.000	0.000	0.000	0.000
Neighbourhood & Enforcement Services	16.962	6.448	5.257	5.257	0.000	0.000	0.000
Policy & Governance	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Properity & Investment	21.346	9.494	11.608	0.244	0.000	0.000	0.000
Sub-Total	**81.625**	**33.745**	**40.794**	**7.086**	**0.000**	**0.000**	**0.000**
Other Resources							
Capital Receipts	24.821	13.161	0.410	5.250	0.000	6.000	0.000
Revenue / External	28.167	8.653	13.911	5.603	0.000	0.000	0.000
Prudential Borrowing	229.522	31.601	125.843	54.716	18.005	(0.643)	0.000
Sub-Total	**282.510**	**53.415**	**140.164**	**65.569**	**18.005**	**5.357**	**0.000**
Total	**364.135**	**87.160**	**180.958**	**72.655**	**18.005**	**5.357**	**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 N/A

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 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 any specific capital investment to ensure that the Council has the appropriate powers and due diligence has been undertaken.

10.0 Ward Implications

10.1 Proposals affect all wards in 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 £2.875m 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 2022/23 to 2026/27
B Planned Building Maintenance Programme 2023
C Highways Transport Plan 2023

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	03/01/2023	12/01/2023	PH
Legal	12/01/2023	12/01/2023	RP
Director	12/01/2023	20/01/2023	KC

Capital Programme - 2022/23 to 2026/27

Policy Area	Total £'000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Later Years £'000
Adult Social Care	1,934	1,934	0	0	0	0	0
Communities, Customer & Commercial Services	24,853	6,970	8,361	5,522	2,000	2,000	0
Corporate Items	7,519	1,000	2,100	2,000	2,419	0	0
Education & Corporate Parenting	40,349	14,776	23,988	1,585	0	0	0
Finance & Human Resources	475	95	95	95	95	95	0
Health, Wellbeing & Commissioning	5	5	0	0	0	0	0
Housing, Employment & Infrastructure	26,341	9,219	17,122	0	0	0	0
Neighbourhood & Enforcement Services	45,165	20,176	13,732	7,257	2,000	2,000	0
Policy & Governance	451	130	62	135	62	62	0
Prosperity & Investment	217,043	32,855	115,498	56,061	11,429	1,200	0
Total Expenditure	**364,135**	**87,160**	**180,958**	**72,655**	**18,005**	**5,357**	**0**
Resources							
Government Grant	81,625	33,745	40,794	7,086	0	0	0
Prudential	229,522	31,601	125,843	54,716	18,005	(643)	0
Capital Receipts	24,821	13,161	410	5,250	0	6,000	0
Revenue	2,974	1,126	1,848	0	0	0	0
External	25,193	7,527	12,063	5,603	0	0	0
Total Resources	**364,135**	**87,160**	**180,958**	**72,655**	**18,005**	**5,357**	**0**

Capital Programme - 2022/23 to 2026/27
Scheme Summary showing major schemes separately

		Expenditure							Funding					
Executive Director	**Scheme**	**Total £'000**	**2022/23 £000**	**2023/24 £000**	**2024/25**	**2025/26**	**2026/27**	**later years**	**Govn't Grant £'000**	**Prudential £'000**	**Capital Receipts £'000**	**Borrowing Approval £'000**	**Revenue £'000**	**External £'000**
Adult Social Care	Integrated Community Schemes	177	177	0	0	0	0	0	0	177	0	0	0	0
	Adults Supported Accommodation	1,725	1,725	0	0	0	0	0	0	1,725	0	0	0	0
	Social Care Capital Grant	32	32	0	0	0	0	0	5	27	0	0	0	0
		1,934	**1,934**	**0**	**0**	**0**	**0**	**0**	**5**	**1,929**	**0**	**0**	**0**	**0**
Communities, Customer & Commercial Services	Customer Services Systems Development	368	68	300	0	0	0	0	0	368	0	0	0	0
	ICT Investment Programme	16,461	3,938	3,001	5,522	2,000	2,000	0	0	14,763	1,629	0	69	0
	Legacy Fund	204	204	0	0	0	0	0	0	204	0	0	0	0
	Climate Change	2,875	820	2,055	0	0	0	0	0	2,875	0	0	0	0
	Other Schemes	4,945	1,940	3,005	0	0	0	0	0	4,708	0	0	237	0
		24,853	**6,970**	**8,361**	**5,522**	**2,000**	**2,000**	**0**	**0**	**22,918**	**1,629**	**0**	**306**	**0**
Corporate Items	Efficiency Schemes Capitalisation	7,419	1,000	2,000	2,000	2,419	0	0	0	0	7,419	0	0	0
	Capital Investment Fund	100	0	100	0	0	0	0	0	100	0	0	0	0
	Managing the funding of the Capital Programme	0	0	0	0	0	0	0	0	(3,571)	3,571	0	0	0
		7,519	**1,000**	**2,100**	**2,000**	**2,419**	**0**	**0**	**0**	**(3,471)**	**10,990**	**0**	**0**	**0**
Education & Corporate Parenting	All Other school schemes	40,349	14,776	23,988	1,585	0	0	0	38,320	0	1,299	0	0	730
		40,349	**14,776**	**23,988**	**1,585**	**0**	**0**	**0**	**38,320**	**0**	**1,299**	**0**	**0**	**730**
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**
Health, Wellbeing & Commissioning	Housing & Technology support for People with Learning Disabilities	5	5	0	0	0	0	0	5	0	0	0	0	0
		5	**5**	**0**	**0**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**0**	**0**
Housing, Employment & Infrastructure	Housing Related Schemes	11,309	7,487	3,822	0	0	0	0	4,960	5,006	1,106	0	0	237
	Affordable Housing Programme	10,000	600	9,400	0	0	0	0	0	10,000	0	0	0	0
	Pride In Your High Street	4,987	1,087	3,900	0	0	0	0	0	3,987	0	0	1,000	0
	Housing, Employment & Infrastructure other schemes	45	45	0	0	0	0	0	27	0	18	0	0	0
		26,341	**9,219**	**17,122**	**0**	**0**	**0**	**0**	**4,987**	**18,993**	**1,124**	**0**	**1,000**	**237**
Neighbourhood & Enforcement Services	Environmental Improvements/ Enhancements	3,682	1,682	2,000	0	0	0	0	23	3,623	0	0	30	6
	Ironbridge Gorge Stability	113	113	0	0	0	0	0	0	113	0	0	0	0
	Newport Innovation & Enterprise Package	51	51	0	0	0	0	0	0	0	0	0	0	51
	Violence Against Women & Girls	250	250	0	0	0	0	0	0	250	0	0	0	0
	Mobile Enforcement Hub & CCTV	210	210	0	0	0	0	0	0	210	0	0	0	0
	Transport & Highways Schemes	40,859	17,870	11,732	7,257	2,000	2,000	0	16,939	23,856	0	0	2	62
		45,165	**20,176**	**13,732**	**7,257**	**2,000**	**2,000**	**0**	**16,962**	**28,052**	**0**	**0**	**32**	**119**
Policy & Governance	Legal Fees	401	80	62	135	62	62	0	0	401	0	0	0	0
	Branding Refresh	50	50	0	0	0	0	0	0	50	0	0	0	0
		451	**130**	**62**	**135**	**62**	**62**	**0**	**0**	**451**	**0**	**0**	**0**	**0**
Prosperity & Investment	Asset Management Plan - General Works & Surveys	4,417	717	700	1,000	1,000	1,000	0	35	4,382	0	0	0	0
	Covid Commemorative Arboretum	287	287	0	0	0	0	0	0	287	0	0	0	0
	Swimming Pool in the Dawley Area	8,750	250	8,500	0	0	0	0	0	6,960	1,000	0	790	0
	Environmental	537	537	0	0	0	0	0	0	537	0	0	0	0
	HE Land Deal	2,484	1,855	629	0	0	0	0	0	0	0	0	0	2,484
	HE Liability Sites	3,837	0	3,837	0	0	0	0	0	800	0	0	0	3,037
	Housing Company - Housing	70,679	6,628	28,075	25,826	10,150	0	0	0	68,651	2,028	0	0	0
	Land Deal Board Schemes	14,000	0	8,398	5,602	0	0	0	0	0	0	0	0	14,000
	Property Investment Programme	74,396	9,671	42,725	22,000	0	0	0	0	68,830	605	0	620	4,341
	Rights of Way	300	200	100	0	0	0	0	41	33	0	0	226	0
	Stronger Communities	1,767	250	1,517	0	0	0	0	0	1,767	0	0	0	0
	Get Building Fund	528	528	0	0	0	0	0	528	(245)	0	0	0	245
	Towns Fund	22,353	9,027	12,720	527	79	0	0	20,742	861	750	0	0	0
	Stalled Sites	4,154	2,135	2,019	0	0	0	0	0	3,264	890	0	0	0
	Prosperity & Investment other schemes	8,554	770	6,278	1,106	200	200	0	0	4,048	4,506	0	0	0
		217,043	**32,855**	**115,498**	**56,061**	**11,429**	**1,200**	**0**	**21,346**	**160,175**	**9,779**	**0**	**1,636**	**24,107**
		364,135	**87,160**	**180,958**	**72,655**	**18,005**	**5,357**	**0**	**81,625**	**229,522**	**24,821**	**0**	**2,974**	**25,193**

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2nd March 2023

Planned Building Investment Programme 2023/24

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:	N/A
Report considered by:	SMT - 17 January 2023 Business Briefing – 26 January 2023 Cabinet – 16 February 2023 Full Council - 2 March 2023

1.0 Recommendations for decision/noting:

Cabinet Members are asked to recommend to full Council:

1.1 The approval of the planned building capital maintenance programme for 2023/24.

2.0 Purpose of Report

2.1 To agree the planned building capital maintenance programme priorities for 2023/24.

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 £6.8m for operational properties (excluding schools) and £16.6m 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 2023/24 more in-depth surveys will continue to be undertaken within operational properties and schools that are under the control of the council as part of their fire risk assessments. Particular emphasis will be given to passive and active control measures such as compartmentation, condition of fire doors, fire stopping and suitability and coverage of existing fire alarm systems. Where improvements can be made and will reduce the risk of fire and in the event of a fire, fire spread within a building this work will be prioritised within the programme of works.

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 2023/24 is £2,128,500 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 maintenance programme for financial year 2023/24, in accordance with Medium Term Financial Strategy 2023/24 to 2026/27

5.0 Alternative Options

5.1 N/A

6.0 Key Risks

6.1 As stated under Financial Implications section below, confirmation of the 2023/24 education capital allocation for maintenance 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 maintenance 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 2023/24 have not been received and are expected to be notified shortly by the Education Funding Agency. Appropriate adjustments to the capital programme and the programme of works (**Appendix A**), estimated at £2,128,500 will be made accordingly to ensure spend is within available funds.

Budgetary provision for the Corporate Planned Building Capital Maintenance Programme £700,000 programme of works for 2023/24 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 Maintenance Programme 2023/24

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	20/12/2022	20/12/2022	DR
Legal & Democracy	16/12/2022	10/01/2023	EH
Director	11/01/2023	18/01/2023	JD

Telford & Wrekin Co-operative Council

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APPENDIX A - Education Planned Building Capital Maintenance Programme 2023/24

Asset	Description of Works	Estimated Budget	Corporate Priorities	Ward
Apley Wood Primary	Kitchen Refurbishment	£275,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Apley Castle
Burton Borough School	Roof Works Phase 2	£150,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Newport South and East
Captain Webb Primary	Boiler Replacement	£100,000	• Every child, young person and adult lives well in their community. • Protect our natural environment.	Dawley and Aqueduct

			• A community-focused, innovative council providing efficient, effective and quality services.	
Donnington Wood Infant	Roof Replacement	£165,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Donnington
Donnington Wood Infant	Replacement Heat Emitters	£60,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Donnington
Moorfield Primary	Fire Compartmentation	£11,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Newport North and West

Newport Infant	Window Replacement Phase 2	£50,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Newport South and East
Newport Junior	Victorian Block Heating	£104,500	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Newport South and East
Newport Junior	Windows Phase 1 and 2	£132,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Newport South and East
Short Wood Primary	Pool Repairs	£120,000	• Every child, young person and adult lives well in their community.	Ercall / Arleston

			• Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	
Southall School	Window and Door Replacement	£200,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Dawley and Aqueduct
St George's Primary	Window Replacement Phase 2	£50,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	St Georges
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	£75,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing	Various

	prioritised using the Asbestos Management survey data.		efficient, effective and quality services.	
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. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various
Various Schools	External Redecoration (rolling programme)	£50,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various
Various Schools	Kitchen Gas Safety Works	£25,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various

William Reynolds Primary	Replacement Roof	£186,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Woodside
Wrockwardine Wood Junior	Curtain Walling	£150,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services	Wrockwardine Wood and Trench
Various Schools	Access Works	£175,000	• Every child, young person and adult lives well in their community. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services	Various
	TOTAL	**£2,128,500**		

Corporate Planned Building Capital Maintenance Programme 2023/2024

Asset	Description of Works	Estimated Allocated Budget	Corporate Priorities Contributed to proposals	Ward
Darby House	Entrance Improvements	£95,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Ketley and Overdale
Darby House	Water Tanks	£16,500	• All neighbourhoods are a great place to live. • Protect our natural environment. • 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. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Ketley and Overdale
Granville House	Refurbishment	£139,500	• All neighbourhoods are a great place to live.	Donnington

			• Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	
Horsehay Village Golf Club	Solar PV and Battery Storage	£37,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Horsehay and Lightmoor
Various Properties	Asbestos Removals - 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.	£35,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various
Various Properties	Data Updates - to update the asset management data on operational assets, and improvements to the asset database, plus Fire Risk Assessment costs.	£110,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various

Various Sites (Changing Rooms)	Electrical refurbishment	£45,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • A community-focused, innovative council providing efficient, effective and quality services.	Various
Various Swimming Pools	Chlorine Detectors	£22,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • 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	£150,000	• All neighbourhoods are a great place to live. • Protect our natural environment. • 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

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2 March 2023

Highways & Transport Capital Investment Programme 2023 - 2025

Cabinet Member:	Cllr Lee Carter – Cabinet Member: Neighbourhood Services, Regeneration & the High Street
Lead Director:	Dean Sargeant – Director: Neighbourhood & Enforcement Services
Service Area:	Highways, Engineering & Project Delivery
Report Author:	Adam Brookes
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 - 17 January 2023 Business Briefing - 26 January 2023 Cabinet - 16 February 2023 Full Council - 2 March 2023

1.0 Recommendations for decision/noting:

It is recommended that Cabint Members recommend to full Council:

1.1 Approval of the planned Highways and Transport Capital investment programme for 2023/24 – 2024/25.

1.2 Delegation of responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the

Director for Neighbourhood & Enforcement Services in consultation with the Cabinet Member for Neighbourhood Services, Regeneration and the High Street and the Cabinet Member for Housing, Enforcement & Transport.

2.0 Purpose of Report

2.1 This report identifies the proposed Highways and Transport Capital Investment Programme for financial years 2023/24 – 2024/25 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 £21.289m is proposed over the next 2 years to maintain roads, footaths, bridges and other structures.

3.0 Background

3.1 In 2022, 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 22/23 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 2022/23, over £20.2m was invested in to the Boroughs Highways and Transport infrastructure. The benefits of this investment were highlighted in the 2022 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 2023/24 – 2024/25 Capital Investment Programme outlined below totals £21.289 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 2023/24, the proposal is to invest £13.732m as follows:

- £6.756m into roads and footpaths
- £1.03m into Structures
- £0.91m into drainage and council owned assets
- £1.008m into street furniture, lighting and road markings
- £2.028m into sustainable transport and safety schemes
- £2.0m into Environmental Improvements

4.3 In line with the Council's plan to Protect, Care and Invest in our borough, a further investment from the council of £7.557m is proposed for 2024/25. This outlay will allow for the following investments during 2024/25:

- £5.076 into roads and footpaths
- £0.5m into Structures
- £0.55m into drainage
- £0.485m into street furniture, lighting and road markings
- £0.946m into sustainable transport and safety schemes

4.4 The planned investment over the next two 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	**2023-24** £'000	**2024-25** £'000	**Total 2 - Year Programme £'000**
2-Year Budget			
Council Capital			

Source	**2023-24** £'000	**2024-25** £'000	**Total 2 - Year Programme £'000**
Highways maintenance and improvements	8,075	2,300	10,075
Integrated Transport	400	0	400
Total Council Capital	**8,475**	**2,300**	**10,475**
External Funding			
Highways maintenance** and improvements	4,311*	4,311*	8,622
Integrated Transport	946*	946*	1,892
Total External Funding Capital	**5,257**	**5,257**	**10,514**
Total Funding	**13,732**	**7,557**	**20,989**

*Unconfirmed subject to Department for Transport Confirmation

** Subject to remaining a Band 3 Authority

Table 2 – Summary of Highways & Transport Capital Programme

Highway Programme Area	**2023-24**	**2024-25**	**Total 2-Year Programme**
	£'000	£'000	**£'000**
Maintenance of Existing Assets			
Carriageway Maintenance	5,385	4,411	9,796
Footpath maintenance	1,371	365	1,736
Structures maintenance	1,030	500	1,530
Street lighting maintenance	206	100	306
Drainage Maintenance	610	550	1,160
Street furniture	652	285	937
Road Markings	150	100	250
Council Owned Assets	300	300	300
Maintenance Programme sub-total	**9,704**	**6,611**	**16,015**
Transport & Major Schemes (Improving and Amending the Highway Network)			
Scheme Development	400	0	400
Sustainable Transport Improvements	700	250	950
Environmental Improvement Schemes	2,000	0	2,000
Safety Schemes	728	500	1,228

Transport Modelling	200	196	396
Transport & Major Schemes-sub-total	**4,028**	**946**	**4,974**
Total Investment Programme	**13,732**	**7,557**	**20,989**

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 Neighbourhood Services, Regeneration and the High Street and the Cabinet Member for Housing, Enforcement & Transport.

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 two year period.

6.2 In addition to this, inflationary rises may result in adjustments of budget allocations to ensure priority projects are delivered.

6.3 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 two 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 will 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 two 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
Finance	09/01/2023	10/01/2023	DR
Legal & Democracy	10/01/2023	11/01/2023	RP
Director:	22/12/2022	10/01/2023	DS

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2 March 2023

2023/24 Investment Strategy

Cabinet Member:	Cllr Rae Evans, Cabinet Member - Finance, Governance & Customer Services
Lead Director:	Ken Clarke, 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:	Key Decision
Forward Plan:	09 November 2022
Report considered by:	SMT - 17 February 2023 Business Briefing - 26 January 2023 Cabinet - 16 February 2023 Full Council – 2 March 2023

1.0 Recommendations for Decision/Noting

It is recommended that Members :

1.1 Approve the Investment Strategy for 2023/24

2.0 Purpose of Report

2.1 The strategy sets out the Council's non-treasury investments, outlining the contribution they make towards service delivery objectives, risk management arrangements and liquidity.

2.2 The strategy also includes a number of indicators which provide context and proportionality.

3.0 Background

3.1 The 2023/24 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 2023/24 Medium Term Financial Strategy Report.

9.0 Legal and HR Implications

9.1 The Investment Strategy has to comply with DLUHC Investment Guidance

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 2023/24 Treasury Strategy
2 2023/24 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	12/01/23	20/01/23	KC
Finance			
Legal			

APPENDIX A

INVESTMENT STRATEGY OVERVIEW – 2023/24

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 2023/24, 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 £20m during the 2023/24 financial year. There may be exceptional circumstances where market conditions favour borrowing and investments will exceed £20m 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 2023/24 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.
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 31.3.2022 [Net figure in accounts]	Estimated Balance Due 31.3.23	Estimated Balance Due 31.3.24	Approved Limit
Nuplace – wholly owned company	42.643 [42.643]	47.066	66.179	£92m
IGMT	0.167 [0.140]	0.171	0.169	Balance Due
AFC Telford	0.042 [0.022]	0.041	0.040	Balance Due
Telford Hockey Club	0.050 [0.019]	0.048	0.046	Balance Due
TOTAL DUE	**42.902**	**47.327**	**66.974**	

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 31.3.2022	Forecast 2022/23	Forecast 2023/24	Approved Limit
Nuplace	16.900	16.900	19.100	27.500	38.400
TOTAL	**16.900**	**16.900**	**19.100**	**27.500**	**38.400**

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 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 2022/23. 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	31.3.2022 Actual	31.3.2023 Forecast	31.3.2024 Forecast
		Value in accounts	Value in accounts	Value in accounts
Property Investment Portfolio	53.512	122.275	131.9	174.7
Solar Farm – land and equipment	3.787	8.000	8.0	8.0
TOTAL	**57.299**	**130.275**	**139.9**	**182.7**

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

	2021/22 Actual	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Investment Income as proportion of Gross service expenditure	2.1%	2.5%	2.7%	2.8%
Investment Income as a proportion of Net service expenditure	6.7%	8.1%	8.1%	8.5%

8.0 OTHER INVESTMENTS: 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 £41.9m have been secured, enabling the delivery of 1,284 new homes and enabling over 1,926 new jobs. The Council has facilitated spend of £21.9m in bringing forward sites for development recouped from land sales and the total profit share delivered to the Council to date is £6.97m gross, £4.23m after setting aside £2m for constrained/liability sites and £0.75m distribution to the Marches LEP.

8.4 The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board.

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 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	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Treasury management investments	36.522	15.000	15.000
Service investments: Loans	42.902	47.327	66.974
Service investments: Shares	16.900	19.104	27.527
Property investments	130.275	139.946	182.671
TOTAL INVESTMENTS	**226.599**	**221.378**	**292.172**
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	**226.599**	**221.378**	**292.172**

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. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Treasury management investments	36.522	15.000	15.000
Nuplace	59.454	64.054	92.129
Property	57.299	61.404	104.129
Other Loans	0.259	0.261	0.255
TOTAL FUNDED BY BORROWING	**153.534**	**140.719**	**211.513**

10.4 Rate of return received

The Council receives 5.29%, 5.18% and 4.25% interest on the loans charged to Nuplace, per annum. Net income from Nuplace, including loan interest, was £1.8m in 2021/22 and is projected to be around £2.0m in 2022/23. The long term return on the equity investment is forecast to be c. 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	2022/23 Projected	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Financing Costs to Net Revenue Stream	4.51%	7.65%	7.70%	8.51%

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.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Full Council Report

2 March 2023

Treasury Management Update 2022/23 and Treasury Management Strategy 2023/24

Cabinet Member:	Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services
Lead Director:	Ken Clarke - 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:	9 November 2023
Report considered by:	SMT 17 January 2023 Audit Committee 24 January 2023 Business Briefing 26 January 2023 Cabinet 16 February 2023 Full Council 2 March 2023

1.0 Recommendations for decision/noting:

Members are asked to:

1.1 Note the treasury management activities to 31 December 2022 (Appendix A);

1.2 Approve the Treasury Strategy 2023/24 (Appendix B), including the Annual Investment Strategy, together with the Minimum Revenue Provision Statement (Appendix B section 3.0, which will apply from 2022/23 onwards and Treasury Management Prudential Indicators (Appendix Bii); and

1.3 Note the Treasury Management Policy Statement (Appendix B section 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 2022/23 (mid year treasury update report) and details the Treasury Management Strategy recommended to be adopted for 2023/24 (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 2022/23 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 2022/23 and the Cabinet's proposals issued for consultation in January 2023 for 2023/24 to 2026/27 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 is 8.8% in the current financial year. This compares to 10.6% for the average unitary authority. 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 ater 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 ot be around £0.7m.

This report, and the Prudential Indicators report which will be considered by Cabinet on 16 February and Full Council on 2 March, 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 2022/23

Treasury Management Portfolio at 31.12.2022

	31.3.2022 £m	31.12.2022 £m	Movement £m
Borrowing (excl. PFI)	282.7	301.3	18.6
Investments (excl. NuPlace)	(36.5)	(24.8)	11.7
Net indebtedness	**246.2**	**276.5**	**30.3**

The strategy for 2022/23 remains consistent with that outlined in the 2022/23 Treasury Strategy, which was agreed for approval at Full Council on 3 March 2022 and by this committee on 25 January 2022. 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 £3.9m from treasury management during 2022/23 which is supporting the provision of front line services and the Council's overall financial position.

Borrowing

To date in 2022/23 part of our Equal Instalment of Principal and Annuity PWLB loans have matured and 3 new PWLB loans totalling £20m have been taken (see Appendix A para. 3.1) as part of a gradual move to taking some longer term borrowing to mitigate potential exposure to interest rate rises. Alongside this, short

term borrowing has been used to fund short term cash flow requirements and continue to take advantage of lower interest rates.

On 19 May 2022 the Council launched a Municipal Investment Loan on the Abundance Platform: the Telford & Wrekin Climate Action Investment. This provided an opportunity for individuals to lend money to the Council which is being used to fund a range of projects across Telford & Wrekin to help tackle the climate emergency. Loans are for a 5 year period at a fixed interest rate of 2.10% per annum. The cost of borrowing to the Council, including fees, was comparable with PWLB rates at the time of entering the arrangement in that on the day the offer was launched the cost of the debt to the Council was lower than PWLB would have been. Legally, the investments are loans from individual people to the Council. The loan raised £0.339m.

As referred to 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 2022/23 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 1.55%; 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 1.55% based on the average overnight rate with the Debt Management Office (DMO).

A schedule of short-term investments as at 31 December 2022 is shown at Appendix Ai.

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.

Economic Data

The Bank of England has continually increased the base rate throughout 2022/23 as it continues to seek to control increasing inflation which hit a 40 year high of 11.05% (CPI) in October before falling slightly to 10.67% in November as higher prices for goods due to stock shortages as economies start to open up following the pandemic, along with higher energy prices and Russia's invasion of Ukraine which has led more increases in the prices of energy and food. The fallout from the economic uncertainty caused by the 'Truss Governments' mini budget in September led to further interventions from the Bank of England. In December the Base Rate was increased by 0.5% to 3.5%, its highest level in 14 years and an increase of 2.75% since April 2022. It is anticipated that the base rate will continue to rise

throughout 2022/23 finishing the year at 4.25%, peaking in mid 2023 at 4.5% before falling from January 2024 onwards.

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.

The full report is included an Appendix A

4.2 Treasury Management Strategy 2023/24

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 £125.8m in 2023/24 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.

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 2023/24
- the Councils Treasury Management Policy Statement 2023/24, and
- the Treasury Management Prudential Indicators for 2023/24.

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 Director: Finance & Human Resources (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the 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 As mentioned in Section 4.1 above, the Council launched 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 Template provided by Link Treasury Services

15.0 Appendices

A 2022/23 Treasury Management update Report
B 2023/24 Treasury Management Strategy

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	04/01/2023	06/01/2023	PH
Legal	10/01/2023	10/01/2023	RP
Director	10/01/2023	14/01/2023	KC

Treasury Update Report 2022/23

Telford & Wrekin Council

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Treasury Management Update Report 2022/23

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 2022/23. 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 2022/23 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 on 25 January 2022 and 24 January 2023 in order to support members' scrutiny role.

Executive Summary

During 2022/23, 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	31.3.22 Actual £m	2022/23 Original £m	2022/23 Revised Estimate £m	31.12.22 Actual £m
Capital expenditure				
• Total	57.367	139.578	87.157	53.442
Capital Financing Requirement:				
• Total	500.140	601.793	527.949	527.949
• Less Other Long Term Liabilities	(50.880)	(47.888)	(47.888)	(47.888)
• Loans CFR	449.260	553.905	480.061	480.061
Gross borrowing				
• External Debt	282.743	401.700	314.336	301.322
Investments				
• Under 1 year	36.522	15.000	15.000	24.765
Net borrowing				
• Total	246.221	386.700	299.336	276.218

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 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.

2022/23 TREASURY MANAGEMENT UPDATE

1.0 Treasury Position as at 31st December 2022

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	31.3.22 Principal £m	31.12.22 Principal £m	Movement in Principal £m
Fixed rate debt (+1yr)	241.714	253.293	11.579
Temporary debt (-1yr)	41.029	48.029	7.000
Total debt	**282.743**	**301.322**	**18.579**
Total investments	**36.522**	**24.765**	**(11.757)**
Net debt (exc. Nuplace)	**246.221**	**276.218**	**29.997**
Investment in NuPlace	**16.900**	**18.800**	**1.900**
Net debt (inc. Nuplace)	**229.321**	**257.418**	**28.097**

The maturity structure of the debt portfolio was as follows:

MATURITY STRUCTURE – DEBT (assumes 31st March)	31.3.22 Actual		2022/23 original limits %		31.12.22 Actual	
	£m	%	Lower	Upper	£m	%
Under 12 months	51.430	28.2	0.0	70.0	19.889	6.6
12 months and within 24 months	10.250	2.5	0.0	30.0	11.640	3.8
24 months and within 5 years	31.807	7.7	0.0	50.0	74.872	24.9
5 years and within 10 years	42.899	9.7	0.0	75.0	47.809	15.9
10 years and above*	146.357	51.9	25.0	100.0	147.066	48.8

** 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)	31.3.22 Actual £m	31.12.22 Actual £m
Investments		
Longer than 1 year	0	0
Up to 1 year	36.522	24.765
Total	**36.522**	**24.765**

2.0 Interest Rates

The Bank of England has continually increased the base rate throughout 2022/23 as it continues to seek to control increasing inflation which hit a 40 year high of 11.05% (CPI) in October before falling slightly to 10.67% in November as higher prices for goods due to stock shortages as economies start to open up following the pandemic, along with higher energy prices and Russia's invasion of Ukraine which has led more increases in the prices of energy and food. The fallout from the economic uncertainty caused by the Truss Governments mini budget in September led to further interventions from the Bank of England. In December the Base Rate was increased by 0.5% to 3.5%, its highest level in 14 years and marked an increase of 2.75% since the beginning of the financial year. It is anticipated that the base rate will continue to rise throughout 2022/23 finishing the year at 4.25%, peaking in mid 2023 at 4.5% before falling from January 2024 onwards.

3.0 Borrowing

At the 31st December the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

DEBT PORTFOLIO	31.12.22 Principal £m	Average Interest Rate %
Fixed rate funding:		
- PWLB	212.954	2.50
- Market	40.000	4.17
- Municipal Investment	0.339	2.10
Variable rate funding:		
- Temporary	48.029	1.56
Total debt	**301.322**	**2.60**

The borrowing strategy for the current year has been to borrow temporarily to take advantage of low interest rates where possible and to undertake new longer term borrowing initially in shorter maturities before gradually extending maturities.

3.1 New Borrowing

Between the period 1 June 2022 (previous Member update) and 31 December 2022, £30.0m of temporary loans have been raised in order to fund short-term cash flow requirements. Interest rates have ranged from 1.11% to 3.90%. The outstanding temporary borrowing at 31 December 2022 was £48.0m.

To date in 2022/23 £8.9m of our Equal Instalment of Principal and Annuity PWLB loans have matured and a further £1.9m are due to mature prior to the end of the financial year. 2 new PWLB loan, totalling £15m, have been taken since 1 June 2022 meaning that 3 new loans have been raised during the year.

Lender	Date Raised	Principal £m	Type	Interest Rate %	Duration
PWLB	28.04.2022	5.0m	Fixed interest rate - Annuity	2.56	10 years
PWLB	9.8.2022	5.0m	Fixed interest rate - EIP	2.34%	12 years
PWLB	15.12.2022	10.0m	Fixed interest rate - Maturity	4.16%	1.5 years

On 19 May 2022 the Council launched a Municipal Investment Loan on the Abundance Platform: the Telford & Wrekin Climate Action Investment. This provided an opportunity for individuals to lend money to the Council which will be used to fund a range of projects across Telford & Wrekin to help tackle the climate emergency. Loans are for a 5 year period at a fixed interest rate of 2.10% per annum. The cost of borrowing to the Council, including fees, was comparable with PWLB rates at the time of entering the arrangement in that on the day the offer was launched the cost of the debt to the Council was lower than PWLB would have been. Legally, the investments are loans from individual people to the Council. The loan raised £0.339m.

3.2 Rescheduling

During 2022/23 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	31.12.22 Actual £m	31.12.22 Actual %	Credit Rating	Weighted Credit Score
Treasury investments				
Banks	7.785	31.4	A+	1.57
Debt Management Office (H.M. Treasury)	12.000	48.5	AAA	0.48
Money Market Funds	4.980	20.1	AAA	0.20
Total Treasury Investments	**24.765**	**100.0**		**2.26**

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 2022 the weighted average credit rating for Investments held was 2.26 (which is within the indicator). Further information regarding credit rating 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 2022 some £7.9bn worth of investments have been placed with the Debt Management Office (DMO), Lloyds Bank and Money Market Funds. Rates have ranged from an average of 0.53% to 3.15%

The Council holds investments 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.

In line with the approved Treasury Management Prudential Indicator, the Council can place up to £15.0m with any Counterparty, with the exception of H.M. Treasury's DMO facility 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 £12.0m (48.5% of the portfolio) with the DMO.

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 2022 was 1.55%. This compared to a benchmark return for the period of 1.55%, based on the average overnight rate with the Debt Management Office (DMO) / 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 2022/23.

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 £3.900m 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.

Treasury Management Strategy 2023/24

(including Minimum Revenue Provision Statement 2023/24 & Treasury Management Policy Statement 2023/24)

Telford & Wrekin Council

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Treasury Management Strategy 2023/24

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management strategy 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 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 on 25 January 2022 and on 24 January 2023 in order to support members' scrutiny role.

1.0 Background and 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 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.

Quarterly reports – The Authority will receive 4 update reports as part of the regular financial monitoring taken to Cabinet.

1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 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, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Prospects for Interest Rates (provided by Link)

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08.11.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be 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.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

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 the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people

whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

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, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed Local Authority to Local Authority monies

should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

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.

1.5 Local Context

The Authority's current level of external financing and investments is set out in summary below and in detail at Appendix Bi.

Table 1: Net Investments / Net Borrowing

External Financing & Investments (£m)	Current Portfolio	31.3.23 Estimate	31.3.24 Estimate	31.3.25 Estimate	31.3.26 Estimate
Total External Borrowing	301.3	314.3	440.2	494.9	512.9
Other Long Term Liabilities	48.0	48.0	44.7	41.1	38.4
Total Gross External Debt	**349.3**	**362.3**	**484.9**	**536.0**	**551.3**
Total Investments	24.8	15.0	15.0	15.0	15.0
Net Borrowing	**(324.5)**	**(347.3)**	**(469.9)**	**(521.0)**	**(536.3)**

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2024/25. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The estimates, based on the current Revenue Budget and Capital Programmes, are:

Table 2: Capital Financing Requirement (CFR)

Capital Financing Requirement (£m)	31.3.22 Actual	31.3.23 Estimate	31.3.24 Estimate	31.3.25 Estimate	31.3.26 Estimate
Capital Financing Requirement	500.140	527.951	649.408	698.317	711.154
Less: Other long term liabilities*	(50.880)	(47.888)	(44.547)	(41.146)	(38.428)
Loans CFR	**449.260**	**480.063**	**604.861**	**657.171**	**672.726**
Less: External Borrowing**	(282.743)	(314.347)	(239.485)	(218.070)	(206.363)

Internal (over) Borrowing	**166.517**	**165.716**	**365.376**	**439.101**	**466.363**
Less: Balance Sheet resources	(203.039)	(189.694)	(180.830)	(176.719)	(176.719)
Treasury Investments / (New Borrowing)	**36.522**	**23.987**	**(184.546)**	**(262.382)**	**(289.644)**

* leases and PFI liabilities that form part of the Authority's total debt
** shows only loans which the Authority is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The above table shows an increasing CFR due to the capital programme, but minimal investments, and will require the Council to undertake additional longer term borrowing. Conversion from temporary borrowing to fixed long-term borrowing may also be required at the most appropriate time for the Council, dependent on market conditions.

The row relating to external borrowing includes debt associated with funding the Council's Housing Investment Programme through NuPlace, the Telford Growth Fund/PIP investments, solar farm and other investments that have an element of income generation. The anticipated income from these projects is projected to generate a surplus after funding the debt and operational costs which will be used to support front line services. The outstanding debt relating to the Housing Investment Programme could be repaid by the eventual sale, in many years' time, of some or all of the properties held by the Council's wholly owned company.

It is evident from the Council's balance sheet at the 31 March 2022 that the value of long-term assets outweighed the total borrowing. It is expected that the value of asset will continue to increase as additional borrowing is undertaken.

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. Comparing Tables 1 & 2 above shows that the Authority expects to fully comply with this recommendation.

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.

2.0 Treasury Management Strategy for 2023/24

2.1 Borrowing Strategy

The Authority holds £301.322m of loans as at 31 December 2022, an increase of £18.579m on the end of the previous financial year. It is anticipated that the total cumulative borrowing will increase to £314.3m by the end of 2022/23 in line with the approved Capital Programme.

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 peak in June 2023 before starting to reduce from Quarter 1 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 when long-term borrowing rates are forecast to rise modestly. 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 2023/24 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 form 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.

LOBOs: The Authority holds £25.0m (8.5% of the debt portfolio) 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.

2.2 Treasury Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the current financial year, the Authority's investment balance has ranged between £12.7m and £49.3m (the later was due to a combination of grant instalments, capital receipt and borrowing undertaken at favourable rates). We generally expect to maintain an investment balance of between £10.0m and £25.0m, at each month end, in the forthcoming year – unless the MIFID requirement is relaxed in which case the amount of investment held may reduce.

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: All of the Authority's surplus cash remain will be invested in a mix of the UK Government through the Debt Management Account Deposit Facility (DMADF), short-term unsecured bank deposits and money market funds. This diversification of investments will represent a continuation of the strategy adopted in 2022/23.

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 in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Sector	Time limit	Counterparty limit £m	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	15.0m	Unlimited
Secured investments*	25 years	15.0m	Unlimited
Banks (unsecured)*	13 months	15.0m	Unlimited
Building societies (unsecured)*	13 months	15.0m	Unlimited
Registered providers (unsecured)*	5 years	15.0m	Unlimited
Money market funds*	n/a	10.0m	Unlimited
Strategic pooled funds	n/a	10.0m	Unlimited
Real estate investment trusts	n/a	10.0m	Unlimited
Other investments*	5 years	7.5m	Unlimited

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of one third of the available investment per counterparty as part of a diversified pool.

Government: 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 and 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.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if officers working on treasury management issues have substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment Limits: The Authority has revenue reserves, which could be used to cover investment losses which were £137.6m on 1st April 2022 although not all of these are available. In order that no more than 50% of reserves (as recommended by the code) will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million, which is clearly well within the limit. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes.

Limits, of £15 million, will also be placed on investments in brokers’ nominee accounts (e.g. King & Shaxson), foreign countries and industry sectors. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries**.**

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 £5 million 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.

2.3 Investments that are not part of Treasury Management Activity

The definition of Treasury Management Activity includes all the investments of the Council. 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.

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 16th February 2023 and then Full Council on 2nd March 2023.

2.4 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 Bv)

2.5 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.

2.6 Financial Implications

The budget for investment income in 2023/24 is £0.27m, based on an average investment portfolio of £15.0m at an interest rate of 1.8%. The budget for debt interest paid in 2023/24 is £12.758m, based on an average debt portfolio of £361.852m at an average interest rate of 3.53%. 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.

2.7 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

3.0 Minimum Revenue Provision Statement 2023/24

3.1 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 2023/24 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).

MRP for borrowing in respect of NuPlace is set at £0 due the expectation that the value will appreciate over time and that the houses could all eventually be sold in which case the Council would apply the capital receipts arising to reduce the Capital Financing Requirement until the original principal borrowed had been fully repaid.

Along the same lines as NuPlace, MRP for borrowing in respect of the Council's Property Investment Portfolio will be calculated as 20% of the value of the annuity MRP to reflect that although there will normally be capital appreciation, although a downturn in the economy could result in reductions in value of commercial/industrial investment properties.

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.

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 2023/24 will not be subject to a MRP charge until 2024/25.

4.0 Treasury Management Policy Statement 2023/24

4.1 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.

4.2 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.

5.0 Other Items

5.1 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The 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.

5.2 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 January 2022 and January 2023 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.

5.3 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	%	31.3.23 Estimate	31.3.24 Estimate	31.3.25 Estimate	31.3.26 Estimate
Fixed Rate External Debt:						
– PWLB	213.0	61.0	210.5	199.2	304.7	377.8
– LOBO	25.0	7.2	25.0	25.0	25.0	25.0
– Market	15.0	4.3	15.0	15.0	15.0	15.0
– Municipal Investments	0.3	0.1	0.3	0.2	0.2	0.1
– Temporary	48.0	13.6	63.5	200.7	150.0	95.0
Total External Debt	**301.3**	**86.2**	**314.3**	**440.2**	**494.9**	**512.9**
Long Term Liabilities						
PFI	47.7	13.7	47.7	44.5	41.1	38.4
Finance Leases	0.3	0.1	0.3	0.2	0.0	0.0
Total Long Term Liabilities	**48.0**	**13.8**	**48.0**	**44.7**	**41.1**	**38.4**
Total Gross External Debt	**349.3**	**100.0**	**362.3**	**484.9**	**536.0**	**551.3**
Investments:						
Short-term monies (Deposits / monies on call / MMFs)	24.8	100.0	15.0	15.0	15.0	15.0
Total Investments	**24.8**	**100.0**	**15.0**	**15.0**	**15.0**	**15.0**
(Net Borrowing) / Net Investments:						
Total	**(324.5)**		**(347.3)**	**(469.9)**	**(521.0)**	**(536.3)**

Capital and Treasury Management Prudential Indicators 2023/24

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.

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)	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Total	57.367	87.160	180.958	72.655	18.005

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)	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital receipts	5.453	13.161	0.410	5.250	0.000
Capital grants	23.680	33.745	40.794	7.086	0.000
Revenue	0.459	1.126	1.848	0.000	0.000
External	7.444	7.527	12.063	5.603	0.000
Net financing need for the year	20.331	31.601	125.843	54.716	18.005

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)	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Total CFR	500.140	527.951	649.408	698.317	711.154
Movement in CFR		27.811	121.457	48.909	12.837

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)	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	475.0	545.0	605.0	625.0
Other long-term liabilities	60.0	50.0	50.0	50.0
Total	**535.0**	**595.0**	**655.0**	**675.0**

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:

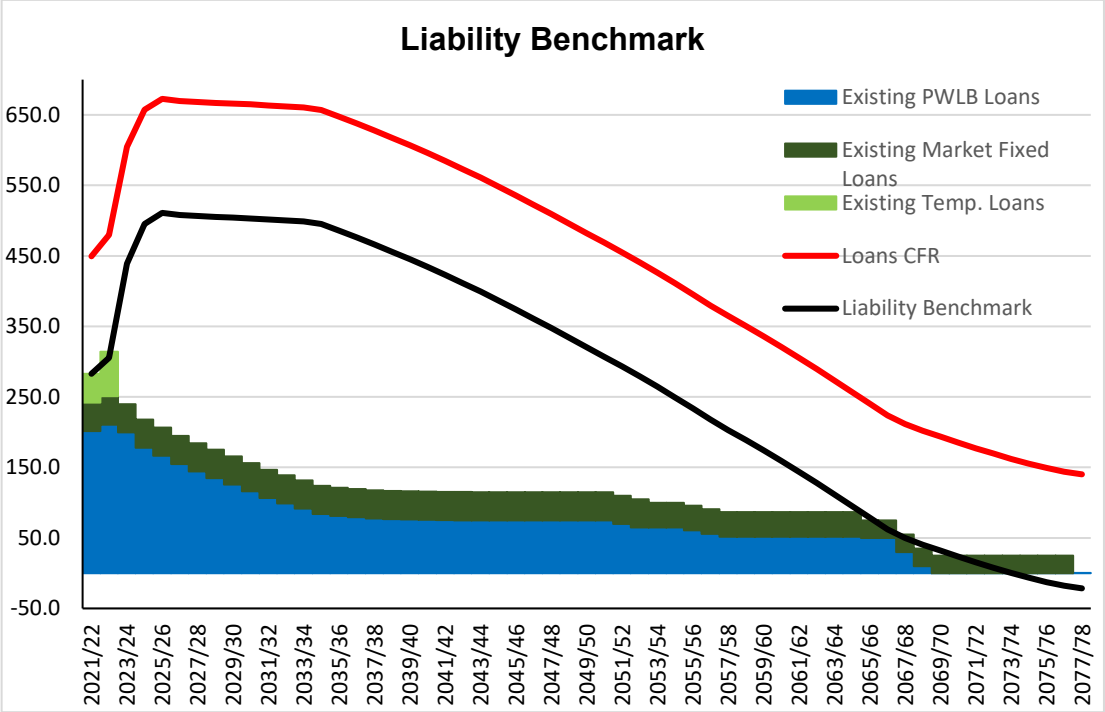
Authorised Limit (£m)	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	495.0	565.0	625.0	645.0
Other long-term liabilities	64.0	54.0	54.0	54.0
Total	**559.0**	**619.0**	**679.0**	**699.0**

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)	31.3.22 Actual	31.3.23 Estimate	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	449.260	480.063	604.861	657.171	672.726
Less: Balance Sheet Resources	(203.039)	(189.694)	(180.830)	(176.719)	(176.719)
Net Loans Requirement	**246.221**	**290.369**	**423.031**	**480.452**	**496.007**
Plus: Liquidity Allowance	36.522	15.000	15.000	15.000	15.000
Liability Benchmark	**282.743**	**305.369**	**439.031**	**495.452**	**511.007**

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 pro to be spectacularly wrong; but the main reason is that it enables the

benchmark to be compared like-for-life 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 31.12.22 %	Lower Limit for 2023/24 %	Upper Limit for 2023/24 %
under 12 months	7	0	70
12 months and within 24 months	4	0	30
24 months and within 5 years	22	0	50
5 years and within 10 years	16	0	75
10 years and within 20 years	11	0	75
20 years and within 30 years	2	0	75
30 years and within 40 years	8	0	100
40 years and within 50 years	21	0	100
50 years and above	9	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	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %
Limit on total investments	95	95	95

Recommended Sovereign and Counterparty List (Section 8)

- ***Group Limits*** *- For institutions within a banking group, the authority executes a limit at the highest of any of the single banks within that group.*
- ***Sovereign Limit*** *– The Council will only invest a maximum of £15m of the portfolio with non UK sovereigns***.**

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Council Holding at 31.12.22 £m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Lloyds (Lloyds Banking Group)	15	15	7.8
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	15	15	0
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	15	15	0
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	15	15	0
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	15	15	0
Term Deposits / CDs / Call Accounts	UK	Close Brothers Limited	15	15	0
Term Deposits / CDs / Call Accounts	UK	Goldman Sachs International Bank	15	15	0
Term Deposits / CDs / Call Accounts	UK	Leeds Building Society	15	15	0
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	15	15	0

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Council Holding at 31.12.22 £m
Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	15	15	0
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	15	15	0
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	15	15	0
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	15	15	0
Term Deposits / CDs / Call Accounts	Finland	Pohjola Bank	15	15	0
Term Deposits / CDs / Call Accounts	Germany	Deutche Bank AG	15	15	0
Term Deposits / CDs / Call Accounts	Germany	Landesbank Hessen – Thuringen (Helaba)	15	15	0
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	15	15	0
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	15	15	0

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m	Council Holding at 31.12.22 £m
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	DBS Bank Ltd	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	Oversea-Chinese Banking Corporation (OCBC)	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	United Overseas bank (UOB)	15	15	0
Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	15	15	0
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	15	15	0
Term Deposits / CDs / Call Accounts	US	JP Morgan Chase Bank	15	15	0

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	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

Term	Meaning
	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.
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.

Term	Meaning
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

2 March 2023

2023/24 Prudential Indicators

Cabinet Member:	Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services
Lead Director:	Ken Clarke - Director: Finance & Human Resources
Service Area:	Finance & Human Resources
Report Author:	Edward Rushton - Group Accountant
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Wards Affected:	All Wards
Key Decision:	Key Decision
Forward Plan:	09 November 2022
Report considered by:	SMT - 17 February 2023 Business Briefing - 26 January 2023 Cabinet - 16 February 2023 Full Council – 2 March 2023

1.0 Recommendations for decision/noting:

1.1 Members are asked to:

Approve the prudential indicators proposed in this report.

2.0 Purpose of Report

2.1 To consider the prudential indicators for 2023/24 to 2025/26 required under the Prudential Code of Capital Finance in Local Authorities and to approve the indicators for 2023/24.

3.0 Background

3.1 Following extensive consultation, CIPFA published revised codes on 20th December 2021. The 2021 publication of the Prudential Code applies with immediate effect, except that authorities could defer introducing the revised reporting requirements until the 2023/24 financial year should they wish as part of a soft launch. 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 considers the indicators and recommends what the indicators should be for 2023/24. In most cases indicators have to be provided for 3 financial years ahead, so figures are also provided for 2024/25 and 2025/26. 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 2023/24 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 2023/24	**Year 2 2024/25**	**Year 3 2025/26**
Ratio of financing cost to net revenue stream	7.65%	7.70%	8.51%

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 2023/24 and 2025/26 (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:

Estimate of capital financing requirement 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 and MRP.

	31/03/23 £m	31/03/24 £m	31/03/25 £m	31/03/26 £m
Estimated Total CFR	528.0	649.4	698.3	711.2

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.

	31/03/23 £m	31/03/24 £m	31/03/25 £m	31/03/26 £m
Estimated Outstanding Borrowing (at nominal value)	314.3	440.2	494.9	512.9
Other long term Liabilities	47.9	44.5	41.1	38.4
Gross Debt	**362.2**	**484.7**	**536.0**	**551.3**

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 2023/24 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are -

	2023/24 £m	2024/25 £m	2025/26 £m
Prudential Borrowing	125.843	54.716	18.005

	2023/24 £m	2024/25 £m	2025/26 £m
Grant Funded	40.794	7.086	0.000
Revenue / External	13.911	5.603	0.000
Capital Receipts	0.410	5.250	0.000
Total	**180.958**	**72.655**	**18.005**

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 2021/22: £57.367m

Estimated capital expenditure 2022/23: £87.160m

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	2023/24 £m	2024/25 £m	2025/26 £m
Borrowing	565.0	625.0	645.0
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:

Operational Boundary = 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	2023/24 £m	2024/25 £m	2025/26 £m
External Debt	545.0	605.0	625.0
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 exposures 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;

	2023/24	2024/25	2025/26
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;

	2023/24	2024/25	2025/26
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	2023/24	2024/25	2025/26
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

Maturity	Lower Limit %	Upper Limit %
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

	2023/24	2024/25	2025/26
Upper limit	95%	95%	95%

6.0 Alternative Options

6.1 The Prudential Indicators are set inaccordance 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 2023/24 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	04/01/2023	12/01/2023	PH
Legal	12/01/2023	12/01/2023	RP
Director	12/01/2023	20/01/2023	KC