

TELFORD & WREKIN COUNCIL

2025/26 EFFICIENCY STRATEGY

January 2025

Foreword

This Efficiency Plan covers only the money the Council receives through Revenue Support Grant (RSG). It does not include all the funding received from Government e.g. other revenue grants such as New Homes Bonus or any capital funding. Total local authority funding is clearly in need of urgent review before it further entrenches this country into areas that “Have” and those that “Have-Not”.

The reductions in Government grants both to RSG and other grants in recent years have a disproportionately higher impact on areas with greatest social need. This is primarily why those areas that had higher levels of grant received that funding i.e. to cover the additional costs that they face meeting pressures caused by significant levels of deprivation.

In Telford & Wrekin some of our wards are among the most deprived in England, areas with very high social needs.

At a time when grant has fallen, we are seeing greater demand than ever for many of our services, which are there to support those people with greatest social need. This simply isn't happening on the same scale as in more affluent areas. In our borough, there are now very real pressures on our services such as those for children and adult social care. These council services play a key part in preventing pressures on an already over-stretched NHS. Without this support, the NHS will struggle.

This 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 Lee Carter
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 18 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 2025/26 to 2028/29 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 2028/29.

By the end of 2024/25 the Council will have delivered ongoing budget savings of £181.7m; additional ongoing savings identified for 2025/26 total £12.6m with a further £1.2m in 2026/27. 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

The population in mid-2023 was estimated to be 191,915. Between 2013 and 2023 the borough's population grew by 13.5%. This was the greatest upper tier local authority increase in the West Midlands Region and almost double that of England (7.0%).

At the current rate of population increase, the population of Telford and Wrekin is likely to exceed 200,000 in the next 2-3 years.

As our population grows, it is ageing and becoming more diverse. People aged 65 and over are the fastest growing age group in the borough, increasing by 28.5% (7,556 people) between 2013 and 2023. Over the same period the population for England increased by 16.1% for 65 and over.

The greatest driver of population change in the borough is internal migration from other parts of the UK. This accounted for 56% of population change between 2022 and 2023.

Internal and international migration means that the population is constantly changing. 6% of the borough's population (11,600 people) arrived in Telford and Wrekin from elsewhere in the UK or abroad in the 12 months to June 2023 whilst 9,500 people left the borough.

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 16.4% (7.5% 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.

More information about the Borough's population can be found on our website:
https://www.telford.gov.uk/info/20121/telford_and_wrekin_insight

3. Our Strategy

Our Efficiency Strategy includes three themes:

1. Our approach to delivering efficiencies to delivering savings
2. How new flexibilities in the use of capital receipts will be used
3. Prudential Indicators to ensure borrowing by the Council is affordable in the medium to long term.

This strategy will be reviewed at least annually and updated with the progress made delivering each of these themes.

3.1 Delivering Efficiencies

Telford & Wrekin Council has a proven track record of delivering savings and efficiencies. Between 2009/10 and 2023/24 the Council has delivered £156.9m savings including:

- Significant reductions in head count were necessary during the period of the Government's austerity programme.
- Reduced the office accommodation by half, saving the Council £2.4m pa;
- Cut back-office costs by over 50% since 2009, saving £15m a year; delivered £16m procurement savings over the past 15 years by renegotiating and retendering contracts for the provision of services; Secured savings of £30m over the lifetime of the waste collection and disposal contract.
- with a relentless focus on business winning we have generated additional income through growth in business rates and council tax. Rateable property numbers have increased by 830, an increase of 18.2% and in relation to council tax there has been total growth of over 13,000 band D equivalent properties, averaging 1,200 per annum. In total this has led to around £17m additional income being generated in council tax and business rates income since 2013;
- increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin and being one of the first local authorities to invest in a solar farm which has generated

£4.4m net income to date since its completion in 2014; received nearly £56million in New Homes Bonus funding since the scheme started in 2011/12;

- investing over £40m into extending and improving local schools, increasing school places in 21st century ready learning centres with brand new educational facilities across our secondary sector and ever-increasing modernisation of our primary and early years provision. Delivery of a brand new Digital Skills Hub to progress our ambitions for a future fit workforce ready for the revolutionary technology economy;
- delivery of Warmer homes funding energy efficient measures in residents homes via the governments, Local Authority Delivery Scheme (LAD), Home Upgrade Grant (HUG) and further direct investment by the council of £470k from the Climate Change Fund so that a larger number of residents and private landlords benefit
- Net additional from the Telford Growth Fund is projected to exceed £8.7m in 2023/24

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 £0.9m net income per year; established ‘Nuplace’, a housing company that will provide over 850 new homes for private and affordable rent, with the first homes now occupied; and established a Growth Fund to invest

in development of premises for businesses to encourage job creation and retention.

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 – a whole Council approach by which all services work to support and enable business investment in the Borough. 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;
 - property investment portfolio – a property investment portfolio delivering over £10m 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, £20m Levelling Up Funding to deliver our Broadening Aspirations through Education and Culture Programme, £22.3m Town’s Fund, £9.8m Capital Regeneration fund and £1.37m decarbonising fund.

To continue to reduce our dependency on Government Grants, building on our achievements to-date, we must continue to be creative, fast-acting and smart to identify and realise opportunities.

Theme 4: Being a modern Organisation with Modern Practices and Where we Always Get the Basics Right

Core to being a modern organisation is continuing to reshape the Council’s relationship with its staff. We must continue to move towards a more flexible, more pragmatic and less bureaucratic approach to decision making. This means:

- Increased autonomy for managers and staff to take decisions
- Greater focus on workforce development
- Greater flexibility including wider more flexible working and job descriptions for staff
- Encourage creative thinking and challenge
- Focus on efficiency and reducing bureaucracy
- Increased staff engagement so that employee representatives will have a greater influence in the organisation

Whilst driving change and reshaping the relationship between the Council and its staff, we will continue to focus on getting the basics right, including:

- **Safeguarding our most vulnerable children and adults**
- **Procurement and purchasing** – ensuring that we maximise value from the services which we procure

- **Contract management** – ensuring that we always receive the service or products which we have procured through effective monitoring of delivery and renegotiation of contracts.

Table 1: Savings by Theme

Theme	Savings	Savings	Total
	2016/17 to 2024/25 £m	New Proposals £m	2016/17 to 2025/26 MTFS £m
1. Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services	9.1	3.0	12.1
2. Challenging & changing, reviewing and reimagining the way we do things.	56.6	4.5	61.1
3. Reducing our dependency on Government grants.	34.8	3.3	38.1
4. Being a modern organisation with modern practices and where we always get the basics right	5.2	1.0	6.2
Total	105.7	11.8	117.5

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) in 2025/26, there remains considerable uncertainty about future funding streams as the local government finance system is due to be radically changed – anticipated to be implemented in April 2026 - 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 2025/26 a total contingency of £3.95m has been built into the revenue budget to cover any unforeseen expenditure during the year.

A robust monitoring regime is in place to identify any adverse variances early, including non-delivery of efficiencies, so that corrective action can be taken.

The Council has an Invest to Save/Capacity Fund created to support and accelerate the delivery of ongoing efficiencies.

3.2. Capital Receipt Flexibility

Telford & Wrekin Council welcomes the additional flexibility on the use of capital receipts generated up to March 2030. This will enable some of the revenue costs associated with significant organisational transformation. This includes:

- the necessary costs associated with remodelling and reducing the workforce;
- invest to save projects
- funding temporary additional capacity to project manage change programmes in key areas.

These would otherwise be a drain on scarce one-off revenue funds or alternatively delay the revenue benefits to the General Fund revenue account which would necessitate further cuts to front line services. We will be able to manage in a more strategic and planned way if this flexibility which has been requested by councils for many years is allowed.

We propose to use this flexibility as follows:

	2016/17 to 2023/24 £m actual	2024/25 £m estimate	2025/26 £m estimate	2026/27 £m estimate
Service transformation costs	5.3	0.90	1.00	1.00
Severance fund – to fund one off costs associated with service restructure which deliver ongoing revenue savings	8.9	0.00	0.90	0.90
Invest to save fund to develop community capacity to deliver services which the Council will no longer provide.	0.0	0.10	0.10	0.10
Total	14.2	1.0	2.00	2.00

Spend capitalised using the capital receipt flexibility is assessed at each year end, using the Government Guidance (as updated in 2022) to ensure eligibility. At a high level, Service Transformation costs include invest to save initiatives, where funding has been used to initiate a service improvement, leading to efficiencies. This has included a number of projects, notably in Adult Social Care and Safeguarding, with the aim of establishing new processes and alternative care options in order to reduce future costs. Other service transformation spend has included the purchase of electric vehicles for the Council's transport services, case management systems and the implementation of cashless systems. Severance costs are associated with the Council's continual programme of service restructures which deliver ongoing savings. The Council also promotes partnership working and a small amount of one-off costs associated with transferring services to other organisations, again on an Invest to Save, may also be capitalised. Budgeted capital receipts 2023/24 to 2026/27 totals £15.749m.

3.3. Prudential Indicators

The Council's Medium Term Financial Strategy for 2025/26 to 2028/29 sets out the Council's prudential indicators for 2025/26. 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 27 February 2025.