



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Tuesday, 11 October 2016

**Committee:
Cabinet**

Date: Wednesday, 19 October 2016

Time: 12.30 pm

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Cabinet

Malcolm Pate (Leader)
Steve Charmley (Deputy Leader)
Karen Calder
Lee Chapman
Simon Jones
David Minnery
Cecilia Motley
Malcolm Price
Stuart West
Michael Wood

Deputy Members of Cabinet

Peter Adams
Nicholas Bardsley
Gwilym Butler
Dean Carroll
Nic Laurens
Robert Macey
Robert Tindall

Your Committee Officer is:

Jane Palmer Senior Democratic Services Officer

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May 2015

AGENDA

1 Apologies for Absence

2 Disclosable Pecuniary Interests

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

3 Minutes (Pages 1 - 8)

To consider and approve as a correct record the Minutes of the Cabinet meeting held on 28 September 2016.

Contact: Jane Palmer Tel: 01743 257712

4 Public Question Time

To receive any questions or petitions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification for this meeting is 5.00pm on Friday 14 October 2016.

5 Scrutiny Items

To receive any scrutiny items from Council or any of the Scrutiny Committees.

6 Proposed Recoupment of Academy Conversion Costs (Pages 9 - 14)

Lead Member – Councillor David Minnery – Portfolio Holder for Children and Young People.

Report of the Director of Children's Services

Contact: Karen Bradshaw Tel: 01743 254201

7 Shropshire Parking Strategy - Proposed Public Consultation

Lead Member – Councillor Simon Jones – Portfolio Holder for Highways and Transportation

Report of Director of Place and Enterprise, **TO FOLLOW**

Contact: George Candler Tel: 01743 255003

8 Highways and Environment Term Maintenance Contract Re-procurement

Lead Member – Councillor Simon Jones – Portfolio Holder for Highways and Transportation

Report of the Director of Place and Enterprise, **TO FOLLOW**

Contact: George Candler Tel: 01743 255003

9 Proposals for the Future Commissioning of Youth Activities within the Context of Reduced Funding (Pages 15 - 46)

Lead Member – Councillor David Minnery – Portfolio Holder for Children and Young People

Report of the Director of Place and Enterprise

Contact: George Candler Tel: 01743 255003

10 Shropshire Hills Area of Outstanding Natural Beauty [AONB] - A Business Case for a New Delivery Model (Pages 47 - 92)

Lead Member – Councillor Stuart West – Portfolio Holder for Leisure and Culture

Report of the Director of Place and Enterprise

Contact: George Candler Tel: 01743 255003

11 Exclusion of the Public and Press

To resolve that, in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.4.3 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

12 University Centre Shrewsbury - Accommodation Update

Lead Member – Councillor David Minnery – Portfolio Holder for Children and Young People

Report of the Director of Place and Enterprise, **TO FOLLOW**

Contact: George Candler Tel: 01743 255003

13 Four Rivers Nursing Home Business Case Options (Pages 93 - 100)

Lead Member – Councillor Lee Chapman – Portfolio Holder for Adults

Report of the Director of Adult Services

Contact: Andy Begley Tel: 01743 258911

14 Exempt Minutes (Pages 101 - 102)

To consider and approve as a correct record the exempt Minutes of the Cabinet meeting held on 28 September 2016.

Contact: Jane Palmer Tel: 01743 257712



Committee and Date

Cabinet

19 October 2016

CABINET

**Minutes of the meeting held on 28 September 2016 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30 - 1.35 pm**

Responsible Officer: Jane Palmer
Email: jane.palmer@shropshire.gov.uk Tel: 01743 257712

Present

Councillors Steve Charmley (Deputy Leader) - in the Chair, Karen Calder, Lee Chapman, Simon Jones, Malcolm Price, Stuart West and Michael Wood

43 Apologies for Absence

Apologies for absence were received from the Leader, Councillor Malcolm Pate and Councillors David Minnery and Cecilia Motley.

Cabinet held a minute of silence as a mark of respect on the sad news of the recent death of the Leader's wife, Mrs Sue Pate.

44 Disclosable Pecuniary Interests

None were declared.

45 Minutes

RESOLVED:

That the Minutes of the Cabinet meeting held on 14 September 2016 be approved as a correct record and signed by the Deputy Leader.

46 Public Question Time

Mr Richard Green had submitted a question querying why the partnership approach and community involvement had not been explored in relation to the Quarry swimming pool. He did not wish to raise a supplementary question and noted the written response tabled at the meeting.

Dr Nick Richards had submitted a question on behalf of the Quarry Swimming and Fitness Forum members relating to the lack of in depth survey of the Quarry plant and buildings and the lack of economic analysis. He asked a supplementary

question to the tabled response on the effect of the location of the new facility on revenue, cost to public health [on those people who walked and cycled to the Quarry] and levels of participation. The Director of Place and Enterprise drew attention to the report presented to the Cabinet meeting on 13 July 2016 and stressed that although Shropshire Council had a preferred location for the new facility there was an option for others to make an expression of interest in the existing facility at the Quarry.

Mr Grainger-Jones, Chairman of the Shrewsbury Civic Society, had submitted a question relating to the one-year period during which all parties could consider their positions and assemble credible alternatives. As a supplementary question, he asked the reasons why Members of the Council who were also members of Shrewsbury Town Council had been advised not to participate in the debate on the swimming pool. The Head of Legal and Democratic Services [Monitoring Officer] explained that dual hatted Members had been given advice and that it was for each individual to make their own decision in the light of the advice that had been provided.

A hard copy of all of the questions submitted and the written responses provided was tabled at the meeting and is included in the formal record of the meeting.

47 Scrutiny Items

There were no scrutiny items.

48 Improved Swimming Facilities for Shrewsbury

Councillors Malcolm Price and Alan Mosley left the meeting during consideration of this item.

The Portfolio Holder for Leisure and Culture presented a report from the Director of Place and Enterprise on improved swimming facilities for Shrewsbury.

Councillor Roger Evans stated that he disagreed wholeheartedly with the content of the report; he considered that it was biased and had ignored the consultation results and the views of local people. He stated that the Council should seek to work in partnership with the local community and keep the Quarry pool open.

The Portfolio Holder for Leisure and Culture, Councillor Stuart West, stressed that the Council had listened and continued to listen to the local community and he drew attention to the 12-month period for interested organisations to come forward with business cases to keep swimming provision on the Quarry site.

The Deputy Leader commented that the report detailed the Shrewsbury Sports Village, the Sundorne site as the preferred option against which the Quarry option would be compared and thus opened the door for a true comparison to be made. The Portfolio Holder for Adults, Councillor Lee Chapman agreed that the Council needed to identify its preferred option in order for a true comparison with any other bid to be made. He suggested that the 12-month window needed to be used wisely by all parties.

RESOLVED:

That Cabinet confirms that:

- i. The Council's preferred location for improved swimming provision in Shrewsbury is the Shrewsbury Sports Village. This decision is based on the options appraisal which was reported in detail to Cabinet on the 13th July 2016.
- ii. In view of the outcome of the public consultation and interest in the retention of a town centre location any interested organisations who wishes to do so, is given the opportunity of up to 12 months to develop alternative business case proposals to retain swimming provision at the Quarry or other town centre location.
- iii. There should be an interim stage and that interested organisations are provided with the opportunity to submit a Strategic Outline Business Case. Any interested organisation which does not meet minimum criteria will be given an opportunity of addressing weaknesses or may choose to withdraw their interest.
- iv. All Strategic Outline Business Cases and Full Business Cases, including the Council's Strategic Outline Business Case and Full Business Case for the Shrewsbury Sports Village, will be evaluated against the process, timetable, evaluation requirements and methodology set out within the Terms of Reference included as Appendix 1 on a comparative basis.
- v. A report on the outcome of the evaluation of all submitted Full Business Cases will be brought back to Cabinet in due course for a decision on the final preferred location. A decision on whether to go ahead with the replacement of the existing pool can be taken thereafter in light of the Council's Financial Strategy.

49 Financial Strategy 2017/18 to 2019/20

The Portfolio Holder for Corporate Support presented a report by the Head of Finance, Governance and Assurance on the Council's Financial Strategy 2017/18 to 2019/20 and drew particular attention to Chart 1 [paragraph 5.7] of the report and Appendix 3.

Councillor Mosley stated that the use of one-off resources to fund the current budget shortfall was a temporary solution and difficulties would still have to be faced in years to come. The Portfolio Holder for Adults, Councillor Lee Chapman remarked that the report was to be welcomed and he particularly drew attention to the large number of voluntary organisations that could work with the Council towards a sustainable future. The Portfolio Holder for Planning, Housing, Regulatory Services and the Environment, Councillor Mal Price, added that this was a process to make the budget work in future years and to ensure a fair settlement for Shropshire in years to come.

Councillor Hannah Fraser [Councillor Roger Evans had left the meeting for another engagement] drew attention to paragraph 3.3 of the report and asked when the Council would accept the Government's settlement offer. The Chief Executive advised that Council had already agreed to accept the offer [Council 21 July 2016] and this provided certainty; those authorities who did not accept the offer would be more than likely to receive a decrease rather than an increase in the Government's offer. The Head of Finance, Governance and Assurance added that the offer made was generally the minimum that may be offered [so the amount actually received may be more].

Responding to Councillor Fraser, the Head of Finance, Governance and Assurance stated that the Veolia smoothing reserve had been replaced by £2M growth in the revenue budget.

Responding to a question from Councillor Mosley, the Chief Executive stressed that the transfer of local services would not change and the Council would continue to work with local Parish and Town Councils to take on services with its support.

RESOLVED:

- a. That the use of Core Grants and other short and medium term resources to provide a balanced budget for 2017/18 and reduced funding gap in 2018/19 (as set out in Table 3) be agreed and recommended to Council
- b. That it be noted that to achieve a balanced budget without further Red RAG Rated Savings proposals being implemented will require the allocation of over £34m of short and medium term proposals over two financial years which will not reduce the size of the core funding gap in future years (still requiring £28.7m of base budget savings by 2019/20).
- c. That it be noted that further work is being progressed over the next 12 months to deliver a Sustainable Business Model for the Council to close the Core Funding Gap and deliver a financially self-sufficient Council in the medium to long term.

50 Foster Care Payments Policy

The Portfolio Holder for Corporate Support presented a report from the Director of Children's Services on the Foster Care Payments Policy and drew attention to the budgetary impact of back pay and the projected spend up to March 2017.

Cabinet noted the aim of the Policy to ensure retention and recruitment of sufficient foster carers to meet the needs of Looked After Children in the county and to effectively compete with independent foster care agencies; the Policy provided a level playing field where all foster carers would receive the same level of allowances and the same amount of training. The excellent work provided by foster carers in the county was recognised and praised.

RESOLVED:

- i) That the proposed new Policy 'Payment Arrangements for Foster Carers' be approved and that it takes effect from 1 April 2016; and
- ii) That the potential financial pressure associated with this change in policy be reviewed and noted.

51 Update on Refugee Resettlement Programme and Unaccompanied Asylum Seeking Children (UASC) Transfer Programme

The Portfolio Holder for Planning, Housing, Regulatory Services and Environment presented a report from the Director of Adult Services that provided an update on the Refugee Resettlement Programme and Unaccompanied Asylum Seeking Children [UASC] Transfer Programme. He explained that Shropshire had capacity to take another five families and the original offer of 60 people had not yet been reached. Cabinet and all parties present agreed that this was a humanitarian issue and Shropshire should take in as many people as it could afford to. Thanks were voiced to the great efforts and dedication of all those serving on the Cross Party Working Group who were working hard to provide support to refugees in the county.

Councillor Mosley stated that the broader issue of stirring the Government's social conscience to achieve an increase in the quota of refugees being taken by the United Kingdom needed to be considered in the wider arena of a future meeting of full Council.

RESOLVED:

- a) That Cabinet confirms its ongoing commitment to providing support, as appropriate, to Syrian refugees and Unaccompanied Asylum Seeker Children and notes the further update regarding the Asylum Dispersal Scheme
- b) That Cabinet agrees to Shropshire supporting up to a further 5 Syrian refugee families under the Syrian Repatriation Programme managed by UNHR to take the total cohort in Shropshire up to 15 families over the next 12 months, or around 60 or so people, dependent on family size.
- c) That Cabinet agrees to participate in the UASC dispersal scheme on a voluntary basis to reach the 0.07% of our total child population. This will include assisting kent with their challenge of Seeker Children, and future requests to support UASC and refugees from Europe when further clarity is provided on the position regarding how the dispersal scheme will operate, and that delegated responsibility is allocated to the director of children's services to agree any requests for support and to ensure that appropriate staffing resources are in place.
- d) That Cabinet note the number of UASC already supported in Shropshire which will contribute to the overall total required under the UASC national dispersal scheme.

- e) That cabinet notes the need to undertake a further recruitment drive for supported accommodation for UASC.
- f) That cabinet agrees to any further funding being made available for the resettlement of Syrian refugees through extension of the scheme being ring-fenced within a dedicated cost centre in Adult Social Care to provide support to this group of people over the 5 year term of the funding.
- g) That Cabinet agrees to the funding being made available to support the UASC Services.

52 West Mercia Energy Governance

The Portfolio Holder for Corporate Support presented a report from the Head of Finance, Governance and Assurance detailing the proposed amendments to the Joint Agreement governing the operation of the West Mercia Energy [WME] Joint Committee.

RESOLVED:

- i) That the current Joint Agreement between the WME Member Authorities be amended in line with the report and as attached at Appendix A to this report, and authorises the execution of a Deed of Variation to make such amendments;
- ii) That authority be delegated to the Head of Finance, Governance and Assurance (s151 Officer) to agree with the other constituent authorities any further amendments to the Joint Agreement required prior to completion.

53 Annual Health and Safety Performance Report 2015/16

The Portfolio Holder for Corporate Support presented a report from the Head of Human Resources and Development on the Annual Health and Safety Performance. He commended the hard work and the progress made by the Health and Safety Team.

RESOLVED:

That the contents of the Annual Health and Safety Performance Report 2015/16 be accepted; particularly noting that:

- Good progress has been made during 2015/2016 on managing health and safety across the Council.
- Reportable employee accidents to the Health & Safety Executive (HSE) and minor accidents have increased compared to last year's figures.
- Benchmarking with other Unitary Councils show that Shropshire Council performs well in terms of accident statistics.
- The Health & Safety Team continues to maintain a good relationship with the HSE.

54 Exclusion of the Public and Press

RESOLVED:

That, in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.2 of the Council’s Access to Information Rules, the public and press be excluded from the meeting during consideration of the following items.

55 Community Energy

Having declared an interest in this item, the Deputy Leader left the meeting at this point. The Portfolio Holder for Corporate Support presented a report from the Director of Place and Enterprise on a community energy model.

RESOLVED:

That the four recommendations be approved as detailed in the confidential report.

56 Exempt Minutes

RESOLVED:

That the confidential Minutes of the Cabinet meeting held on 14 September 2016 be approved as a correct record and signed by the Deputy Leader.

Signed Leader

Date:

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<u>Committee and Date</u>
Cabinet
19 October 2016

Proposed Recoupment of Academy Conversion Costs

Responsible Officer Karen Bradshaw
e-mail: karen.bradshaw@shropshire.gov.uk Tel: 01743 252407

1. Summary

- 1.1 To date Shropshire Council has been able to resource the work associated with schools converting from local authority maintained to academy status from within its existing capacity. In the last 5 years, up to 1 September 2016, 27 academy conversions have been processed in Shropshire. However, with the combination of reduced local authority funding and the anticipated increasing numbers of academy conversions, the approach of absorbing the costs of this work is no longer sustainable.
- 1.2 This report proposes the introduction of a charge to converting schools to cover Council costs, to be charged against the Government grant they receive for costs relating to the conversion process.

2. Recommendation

- 2.1 That Cabinet approve to move to formal consultation with schools on the proposal to recoup a capped contribution of £5,000 for each converting school
- 2.2 That Cabinet approves in principle, subject to the consultation process, the recoupment of the Council's costs in relation to the academy conversion process, setting a contribution capped at £5,000 for each converting school, and that this is effective for any Academy Orders received from 1 January 2017 onwards, and delegates the final decision on this to the Director of Children's Services in consultation with the Portfolio Holder.

REPORT

3. Risk Assessment and Opportunities Appraisal.

3.1 Local authorities have rights to protect their financial position from liabilities caused by the action or inaction of governing bodies. These rights are generally detailed in the local authority's Scheme for the Financing of Schools. While charging for academy conversions is not currently in the Shropshire scheme, the Council is able to add such rights. The Shropshire Scheme for the Financing of Schools will therefore need to be amended to include the right to charge for academy conversions. This report seeks Cabinet approval for this proposal to be consulted upon with schools.

4. Financial Implications

4.1 The increased income from charging converting schools will cover the costs for the range of service teams directly involved in processing the transfer of schools from maintained to academy status and any additional services commissioned where the Council's capacity is limited, as the number and rate of conversions is anticipated to be significantly greater in the next few years given the Government's policy direction on academisation.

5. Background

5.1 The Academies Act 2010 gave all maintained schools the opportunity to become academies, operating independently and not under local authority control. There are different circumstances and conditions under which schools become academies – some choosing to convert and others required to convert with a sponsor in order to address performance concerns.

5.2 The Government policy, as articulated in the Education White Paper – *Education Excellence Everywhere* – is for all maintained schools to either become an academy by 2020, or have an Academy Order in place to convert by 2022. While there has been a subsequent step back from forcing schools to become academies, at the time of writing the policy objective remains.

5.3 The table below illustrates the position in Shropshire in respect of academisation as at 1 September 2016:

Phase	Maintained Schools		Academies/Free Schools		Total
Infant	5	100.0%	0	0.0%	5
Junior	5	100.0%	0	0.0%	5
Primary*	107	89.9%	12	10.1%	119

Secondary**	7	36.8%	12	63.2%	19
All Through	0	0.0%	1	100.0%	1
Special/PRU	2	66.7%	1	33.3%	3
Totals	126	82.9%	26	17.1%	152

* Includes Barrow 1618 CE Free School

* Sundorne and Grange academies became Shrewsbury Academy Trust from September 2016

Academy Orders have been received for a further 7 conversions over the autumn term 2016. Once these are completed there will be 119 maintained schools (78.3%) and 33 academies (21.7%) in Shropshire.

5.4 The profile of the Shropshire conversions dealt with each year since the Academies Act 2010 was introduced, is summarised below:

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Conversions	2	4	6	8	4	9*

* As at 1 September 2016

5.5 If the Government policy objective remains in place for all maintained schools to have an Academy Order in place by the end of 2021/22, this would require the Council to manage, on average, around 24 conversions a year through to 2021/22, which is significantly more than has been the case to date. However, as the process is not linear and is dependent on the decisions of individual school governing bodies (for those choosing to convert), or the Regional Schools Commissioner (for those required to convert via the sponsor route), the numbers of conversions in any given year from 2017/18 onwards is impossible to forecast and could be significantly higher in any given year.

This will require an increased call on the Council resources, currently deployed, to manage significant workload peaks.

6. Council Resources in Managing Academy Conversions

6.1 In order to make each conversion happen, there are a number of administrative tasks that the local authority is required to undertake, including:

- preparing documents for the transfer of land and assets
- liaising with the school's approved solicitors on the lease and commercial transfer agreement
- dealing with the TUPE transfer of all school staff to the receiving academy trust
- closing down and reconciling the school's financial accounts.

6.2 There is a great deal of officer time involved in ensuring that each transfer is completed effectively and within the required timeframe.

6.3 The Council teams with the greatest involvement in the conversion process for individual schools are:

- Business Support and Schools Finance in Learning and Skills
- Legal and Democratic Services
- Assets and Estate Management
- Human Resources and Development.

6.4 On a case by case basis, dependent on the circumstances relating to individual school sites, support will be sought from a range of other Council teams in relation to such issues as early years' provision, children's centre accommodation, programmed building works and contracts, shared leisure facilities, insurance and site specific issues.

6.5 The Council does not receive a direct source of funding to cover the costs linked to academy conversions. While the majority of councils in England are currently absorbing the associated costs of the transfer process from within their existing resources, there is evidence that an increasing number are beginning to charge for officer time. Staffordshire, Leicester, Swindon, Norfolk, Portsmouth and Medway are among those charging for officer time, with a capped sum of £5,000 per conversion emerging as the average charge.

6.6 The Department for Education currently provides converting schools with a grant of £25,000 to cover costs related to converting their legal status, including setting up the academy trust company, establishing the governance structure, transferring staff and producing a funding agreement and leasing land. No additional funds are provided by the DfE to the Council for such conversions.

7. Proposal

7.1 Given the relatively slow rate of conversions of Shropshire schools over the last five years, no detailed costs to the Council of managing each conversion have been captured. However, the current market average rate of £5,000 being set by other local authorities, requiring the same range of work and time per academy conversion, would seem to be an appropriate and fair charge to set locally to recoup the likely Council costs.

7.2 The proposed sum of £5,000 is regarded as a reasonable proportion of the £25,000 grant provided to converter schools to cover the Council's costs in transferring a school to academy status. The workload associated with each conversion will, and does vary according to the complexity of the process in each individual case. However, in general terms the time required to manage an individual conversion is not specifically related to the size or phase of school and so a standard charge is deemed appropriate.

7.3 It is proposed that the charge is made at the start of the conversion process, after the Academy Order has been received, the process of conversion has commenced and the school has received their grant funding. Converting schools will be required to ensure that they make sufficient provision from the £25,000 Government grant to meet these costs.

7.4 Headteachers and governing bodies of maintained schools will be consulted on this proposal if approved by Cabinet. Subject to the consultation it is further proposed that the charging is effective for any Academy Orders received from 1 January 2017 onwards.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)
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Councillor David Minnery – Portfolio Holder for Children and Young People

Local Member

All Council members

Appendices

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Cabinet

19th October 2016

Proposals for the future commissioning of youth activities within the context of reduced funding

Responsible Officer George Candler, Director of Place & Enterprise
e-mail: George.candler@shropshire.gov.uk Tel:(01743)255003

1. Summary

This report summarises progress with the commissioning of activities for young people and proposed plans for 2017/18 and 2018/19.

Local Joint Committees (LJCs) supported by Community Enablement Team officers make recommendations for the commissioning of activities for young people within their communities. Since the new model was introduced in 2015 over 70 separate awards have been made to over 50 different providers. Awards range from small grants of less than £200, for example, for the purchase of equipment by community groups, to large contracts to established youth activity providers. The learning from the local commissioning of youth activities suggests that awards are making a positive difference to the lives of young people.

In Shrewsbury the full responsibility for the commissioning and delivery of youth activities has been transferred within a formal delegation agreement from Shropshire Council to Shrewsbury Town Council.

In the context of available funding reducing by 50% from 2017/18 and following a consultation with LJCs over the summer this report makes recommendations for how spend is prioritised. It explains how revised criteria have been developed based on a combination of local “need”, the opportunity to develop long-term local sustainable provision independent of direct financial support from the Council and consultation with LJCs.

The Shropshire Youth Association in partnership with Energize, the County Sports Partnership, provides infrastructure support to the voluntary community sector. Over 100 clubs are now affiliated to the Shropshire Youth Association and receive a wide range of support.

The Community Asset Transfer Register lists assets for potential transfer to community groups. 6 council owned youth centres – Whitchurch, Market Drayton, The Grange, Sundorne, Monkmoor and Bridgnorth – have been listed on the register. To date business plans are being developed for 3 of the youth centres. These will be dealt with in accordance with the Council’s Community Asset Transfer policy with approvals coming forward to Cabinet as and when appropriate.

2. Recommendations

- A. To endorse the revised criteria for determining funding allocations based on a 50% budget reduction.
- B. To confirm the allocation of funding for 2017/18 based on the proposed revised criteria in support of the local provision of youth activities, subject to any final adjustments, and to delegate authority for any final adjustments to the Director of Place and Enterprise and the Director of Children's Services in consultation with the Portfolio Holder for Children & Young People.
- C. To delegate authority to the Director of Place and Enterprise and the Director of Children's Services in consultation with the Portfolio Holder for Children & Young People to allocate funding for 2018/19 based on a review of the outcomes of funding provided in 2017/18 and progress made towards achieving long-term local sustainable provision independent of the Council.

REPORT

1.0 Risk Assessment and Opportunities Appraisal

- 1.1 Local authorities have a duty to secure, so far as reasonably practical, equality of access for all young people aged 13 to 19 (24 for those with learning difficulties). The "local offer" should be the best possible to meet local needs and to improve young people's well-being and personal and social development within available resources. Local authorities must also take steps to gain the views of young people and to take them into account in making decisions about services and activities for them.
Visit: <http://dera.ioe.ac.uk/15549/1/statutory%20guidance%20on%20la%20youth%20provision%20duty.pdf>

The proposals outlined within this report, alongside on-going support for voluntary provided youth activities via the Council's infrastructure support provider contract, will meet the Councils statutory responsibilities.

- 1.2 A risk management log for local youth commissioning is reviewed quarterly.
- 1.3 An Equality and Social Inclusion Impact Assessment (ESIIA) for local youth commissioning is included within **Appendix 1**. While the ESIIA recognises that there may be some potential negative impact to young people in areas where funding is withdrawn or reduced it notes that limited funding should be targeted to young people whose needs are not fully catered for by mainstream provision, through the voluntary sector or by other means and who may benefit from "targeted youth worker support". The evidence suggests that this is largely within areas of deprivation within the main Shropshire market towns.

Outside these areas there has in the main been no recent history of direct youth activity provision by Shropshire Council. Rather the Council's approach has been to engage an "infrastructure support provider", the Shropshire Youth Association (working more recently with Energize, the county sports partnership), to support the development of safe and effective voluntary sector providers; this approach will continue alongside the local commissioning of youth activities.

Most existing funding outside the areas of greatest need has been directed at existing youth clubs and has provided some additional support with the purchase of equipment or on putting on additional activities. It is not anticipated that the withdrawal of funding within these areas will result in clubs closing. However, the potential impact of funding reductions within areas previously only receiving rurality funding is recognised and will be partly mitigated by the creation of one off “transition grant pot”.

Alongside the infrastructure support provider Community Enablement Team Officers will continue to support local youth clubs to access funding and provide sustainable delivery.

- 1.4 Child safeguarding and welfare matters are paramount in our approach and appropriate safeguards are included in all arrangements.
- 1.5 Supporting early help and early prevention is a key driver for the Council. Support for youth activities as a “universal offer” alongside more targeted support for young people with particular needs underpins our approach to commissioning support for young people to be able to access a range of activities.

2.0 Financial implications

- 2.1 The 2016/17 budget for the local commissioning of youth activities is £234,950. This was allocated across LJC areas according to specific youth related “need”, adjusted by a measure of rurality as described below.
- 2.2 Eight measures were confirmed by Cabinet in December 2014 to calculate an index of specific youth related “need” for each LJC. These eight measures were chosen to best reflect the partnership outcomes sought by the Children’s Trust described within the Shropshire’s Children, Young People and Families Plan 2014 (see 3.2). A needs score was calculated for each LJC area, which was used to determine the proportion of funding allocated to the LJC. The eight measures used in the funding formula were as follows:
 - The no of 10-19 year olds
 - The no of 10-19 year olds with a learning disability
 - The no of 10-10 year olds living in a deprived area
 - The no of 10-17 year olds offenders
 - The no of 10-19 year olds with poor school attendance
 - The no of referrals to social care for 10-17 year olds
 - Occurrence of anti-social behaviour
 - Percentage of obesity of 10-11 year olds
- 2.3 A further measure, the number of 10-19 year olds per square mile, was used to determine a specific rurality contribution, allocated separately from the main element of the funding determined by the formula described above.
- 2.4 The Council’s Medium Term Financial Strategy agreed by full Council on 25th February 2016 confirms the requirement to make 50% savings to the locally commissioned youth activities budget from 2017/18, leaving an available budget of £117,475 per annum. Proposals for how the available budget will be allocated in 2017/18 are based on an assessment of “need”, experience gained

to date from the local commissioning of youth activities and the opportunity to create long term sustainable provision. Our approach to allocating funding in 2017/18 is described in more detail in section 5.

- 2.5 The allocation of budget for 2018/19 and onwards will be kept under review in the light of progress achieved in creating new sustainable local delivery models in 2017/18.
- 2.6 Within Locality Commissioning there is currently a central budget for a contribution to youth centre costs (building costs). This budget will reduce to nil by the end of 2016/17, as hire charges will be incurred directly by delivery organisations from April 2017. The cost of youth centre hire has been accounted for in the proposed LJC funding allocations for 2017/18.

3.0 Background Information

- 3.1 Approval was given by the Portfolio Holder responsible for youth services to modify the commissioning model in response to consultation and to procure infrastructure support services on 2nd July 2014. Approval was subsequently given by Cabinet on 10th December 2014 to confirm the funding allocation based on an analysis of “need” for individual LJC areas. Further approval was provided by Cabinet on 29th July 2015 to delegate the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council and to provide short-term match funding to enable the community to support the on-going development of youth activities within Broseley. Progress with the implementation of the approach has been scrutinised by the Children & Young People’s Scrutiny Committee on 22nd October 2014, 24th June 2015, 4th November 2015 and 3rd February 2016.
- 3.2 The following key points underpin the Council’s approach to the commissioning of youth activities:
 - The Council’s aim is to ensure that as many young people as possible, can access a wide range of activities after school, at weekends and in school holidays. These activities are known collectively as Youth Activities and their purpose is to support young people’s well-being, development of personal and social education and preparation for adulthood.
 - Youth Activities are part of Shropshire’s Early Help Offer for young people.
Visit: <https://shropshire.gov.uk/media/1216935/Shropshire-CYPF-Plan-2014.pdf>
 - The provision of youth activities will contribute to the following outcome areas in the Shropshire’s Children, Young People and Families Plan 2014:
 1. Ensuring all Children & Young People are safe and well looked after in a supportive environment
 2. Narrowing the achievement gap in education & work
 3. Ensuring emotional wellbeing of Children & Young People by focusing on prevention and early intervention
 4. Keeping more Children & Young People healthy and reducing health inequalities

Visit: <https://shropshire.gov.uk/media/1216935/Shropshire-CYPF-Plan-2014.pdf>

- 3.3 Within the local commissioning model for youth activities Local Joint Committees (LJCs), together with young people and supported by the Community Enablement Team, are responsible for making commissioning recommendations. LJCs have based their recommendations on a consideration of a local “needs” assessment, an understanding of existing youth provision, conversations (and formal consultation in areas of existing Council delivery) with young people and stakeholders, and their local knowledge. Community Enablement Team officers continue to support LJCs with this work and are responsible for procuring youth activity within the Councils’ Constitution and Contract and Financial Rules.
- 3.4 Alongside the provision of “main stream” youth activities Shropshire Council provides three dedicated “Special Needs Groups” in Shrewsbury and Bridgnorth. These groups are operated within the Short Breaks Programme, a programme for Shropshire children and young people up to and including 18 years of age who have a disability or additional needs that make (or would make) attending mainstream clubs, groups or facilities difficult. Further details can be found at: <http://shropshire.gov.uk/local-offer/short-breaks-for-children-with-disabilities/>

Information regarding the availability of short breaks can be found in the [‘All In’ activity programme](#). The Short Breaks programme is commissioned by the Council to a variety of specialist and mainstream providers.

- 3.5 The Shropshire Youth Association (SYA) in partnership with Energize, the County Sports Partnership, provides infrastructure support to the voluntary community youth sector. The partnership brings together the skill, experience and resource of embedding and sustaining both youth and sports delivery at a local level. The current contract with SYA and Energize runs to 31 March 2017 with an option to extend it for up to a further 2 years. Details of SYA and the support that they offer for the voluntary sector can be found at: <http://www.sya.org.uk/>. Details of Energize can be found at: <http://energizestw.org.uk/>

At the end of the summer term 2016 the infrastructure support provider had provided support to 144 clubs and made nearly 300 visits to clubs. The majority of these clubs are independent youth clubs; Scout groups, sports clubs and Young Farmers clubs are also affiliated. SYA is raising the quality of local delivery by making regular visits to clubs and by delivering activities. Funding remains an issue for many clubs with 32 clubs helped with funding and funding applications. SYA continues to be proactive in supporting clubs to complete DBS checks for their staff and to attend safeguarding awareness training.

- 3.6 Shropshire Council owns youth centres across the county in Bridgnorth, Ludlow, Market Drayton, Oswestry, Shrewsbury (x3) and Whitchurch.

4.0 Review of Local Commissioning of Youth Activities

- 4.1 Since the new model was instigated in 2015 over 70 separate awards have been made to over 50 different providers. Awards range from small grants of

less than £200, for example, for the purchase of equipment by community groups, to large contracts to established youth activity providers.

End of project or termly monitoring and review of activities is carried out. The learning from the local commissioning of youth activities suggests that awards are making a positive difference to the lives of young people, although it is less clear to date that they are enabling long term locally sustainable provision.

- 4.2 In Shrewsbury the responsibility for the delivery / commissioning of youth activities has been transferred within a formal delegation agreement from Shropshire Council to Shrewsbury Town Council (STC).

STC appointed a Community Development Officer to manage and develop youth service provision from the outset. 1,099 young people have benefited from the delivery of five weekly youth clubs for juniors within the more deprived areas of Shrewsbury for juniors. Alongside this targeted support has been provided by youth workers to 113 older people within the town, particularly within areas where young people congregate and there is the threat of antisocial behaviour. A Youth Forum has been established at the Hive and has resulted in young people coming together from across the town to develop projects for young people.

- 4.3 There are a number of advantages to the transfer of the responsibility for delivering youth services from Shropshire Council to local town / parish Councils including:

- Services that are more responsive to local need and offer the potential for greater engagement from the local community and stronger customer satisfaction with services
- Enhanced role for the Town Council within the town
- Development of synergies between the public assets held by the Town Council – recreational grounds, parks, play, etc. - and the users of those facilities many of which are likely to access youth services
- Potential to augment Shropshire Council funding, to improve the reach of service provision and quality and to create a sustainable approach to local delivery

- 4.4 At the end of the Summer term 371 individuals had attended the eleven clubs being run by the SYA in Ludlow, Bridgnorth, Market Drayton, Minsterley, Westbury, Whitchurch, Wem and Shawbury with weekly attendance averaging 17 people. Participants are being actively engaged in developing and promoting their sessions and a range of activities have been provided including sports, laser tag, dodgeball, cooking and crafts, Xbox dance, long rope skipping, parties, trips, career advice, etc. Crime, alcohol and Diabetes awareness sessions have also been run. In Shawbury the club has moved from one supported by a paid SYA youth worker to one entirely run by volunteers. In Whitchurch additional funding was secured from the Everybody Active Everyday programme and the Higginson Trust to put on a “It’s a Knockout” event and to organise a residential trip to PGL Baschurch.

5.0 Proposed funding allocations 2017/18

- 5.1 Funding in support of local youth activity provision will be reduced by 50% of the current budget from 2017/18 onwards. The Cabinet report of the 13th July

2016 said, “Our suggested approach to maximising the value of future funding (in support of positive activities) is based on targeting funding to those areas where previous intelligence has confirmed that the “specific needs” are the highest.”

Visit: <http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?CId=130&MId=3358&Ver=4>

5.2 The suggested approach to maximising the future value of future funding in the proposed revised criteria is set out within the Frequently Asked Questions to be found at **Appendix 2**. In summary our suggested approach is based on:

- Targeting funding to those areas where previous intelligence has confirmed that the “specific needs” of young people are the highest
- Withdrawing all “rurality” funding allocations – funding in these areas largely relates to areas that have historically not been directly funded and that have reasonably well developed voluntary sector providers. Voluntary sector providers will continue to be supported by the SYA and Energize.
- Providing the best chance of supporting long term sustainable local provision independent of direct financial support by the Council by:
 - Encouraging the community to take “ownership” of local provision, for example through the creation of local youth forums, fund raising and even the direct employment of youth workers.
 - Encouraging partner financial contributions that support on-going provision, for example via local town and parish councils, businesses, etc.
 - Encouraging and supporting the role of qualified volunteer youth workers working alongside paid youth workers where appropriate
 - Supporting a creative and innovative approach to provision that maximises positive outcomes for young people, reduces costs and maximises income.

5.3 Consultation on the proposed revised funding criteria and funding allocations was undertaken with LJCs, Shropshire Council members, Town and Parish Councils and other stakeholders from early August to the end of September 2016. Consultation was supported by the Frequently Asked Questions set out in **Appendix 2**.

Comments were received from twelve areas out of a total of eighteen areas that received funding in 2016/17. The level of feedback may partly reflect the fact that in recent years nine of these areas, mostly those that have only received rurality funding, have not been directly supported by Shropshire Council. It is also noteworthy that in a limited number of areas LJCs found it difficult to spend their full allocation on appropriate local projects.

The consultation generated a number of comments which are summarised together with a Council response within table 1.

Table 1

Comments	Shropshire Council response
Concern that there had been no consultation on the proposed change to criteria used to allocate funding in	A set of Frequently Asked Questions accompanied the consultation. These set out the rationale for the proposed funding allocations. Local Joint Committee members have been provided with the opportunity to comment on

2017/18	suggested allocations and to provide arguments in support of a different approach. Responses have been collated within this report with the final approach subject to a Cabinet decision.
Suggestion that funding should be reduced by 50% across all those areas that previously received funding	Officers consider that this “one size fits all” approach is a blunt and non-evidence based way to allocating limited resources. It is recognised that proposals to reduce all rurality funding will have a potential negative impact on young people but these areas have largely not previously had Council funding, have a reasonably well developed voluntary sector and will continue to be proactively supported by the Council’s infrastructure support provider partner and by Community Enablement Team officers.
Within the nine areas currently receiving specific needs funding comments were received from seven areas. Two areas did not respond; five were broadly in agreement with the proposals; and two, Longden and Oswestry, were against.	<p>It is proposed that Oswestry receives the same level of funding as Market Drayton, Whitchurch, Ludlow and Bridgnorth. Funding has been calculated to be almost sufficient to run two weekly term time youth clubs with three qualified employed youth workers. Some additional financial support, for example from the respective Town Council, could be considered to supplement this depending on the chosen delivery model. It is recognised that the funding allocations will provide little or no opportunity for additional grant aided support to local voluntary groups, but support will continue to be provided by the Council’s infrastructure support provider partner and by Community Enablement Team officers.</p> <p>Funding for the Longden LJC area has been determined on the basis of how the existing financial support provided to five youth clubs – Minsterley, Westbury, Hanwood, Ford and Nesscliffe - can be built on to provide the best chance of long term sustainability independent of the Council. In recent times three established youth clubs – Ford, Hanwood, and Nesscliffe - were solely supported by their local parish councils and their fund raising efforts.</p> <p>Although no specific alternative proposals have been suggested on how to sustain local youth provision in Longden LJC, representations have been made that this should be left to the LJC to recommend following a full analysis of the evidence and opportunities; it is proposed to organise an LJC planning meeting to confirm allocations as soon as possible, bearing in mind that cabinet have already determined the funding criteria and allocations.</p>
Within the 9 areas receiving only rurality funding comments were received from 6 areas. 2 areas acknowledged the Council’s budget situation. Bishops Castle, Craven Arms,	In considering feedback from these areas it is noteworthy that (a) in recent years most of these areas have not been directly supported by Shropshire Council; (b) a limited number of LJCs found it difficult to spend their full allocation on appropriate local projects; and (c) where funding was awarded it tended to be mainly small grants to existing clubs to enable them to purchase equipment and to supplement

<p>Strettondale and St Oswald & Llanymynech made a case for ongoing support:</p> <ul style="list-style-type: none"> • “Investment” in young people • Match funding to support the development of local capacity and sustainability • Deprivation and local need • Rurality and transport challenges • Response to anti-social behaviour issues <p>Bridgnorth LJC also made a plea to retain its rurality funding contribution on top of its specific needs funding based on its large area and numerous small communities.</p>	<p>existing activities rather than to support new activities.</p> <p>Ideally the Council would like to provide ongoing support to young people in all LJC areas. However, in the context of a significantly reduced budget the principle of directing resources to the areas of greatest need has previously been accepted. While issues resulting from dispersed communities are recognised as important additional budget reductions require a further review of where limited resources are best spent.</p> <p>However, in order to ease the transition to zero funding (in the nine areas currently only receiving rurality funding) and to support long term local sustainable provision it is proposed to create a one off (i.e. limited to 2017/18) match grant funding pot of up to £1,500. Funding will be awarded to local town / parish councils or appropriately constituted youth consortia to match an equivalent sum raised locally and to be spent in support of the delivery of activities for young people. In adopting this approach, it is anticipated that the Council will be the enabler of activities rather than the direct commissioner.</p> <p>Alongside this proactive support will continue to be provided in rural areas by the Council’s infrastructure support provider partner and by Community Enablement Team officers, and this will include opportunities to fund raise to support local activities.</p>
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Looking forward there are opportunities to use funding allocations flexibly to maximise resources with respect to the future design of the activities, the way that they are delivered, for example though increased use of volunteers, and as match funding to draw down additional awards. In practice limited suggestions were made about how future funding might be best spent and used to support alternative delivery approaches that provide positive local outcomes for young people.

Within the consultation reference was made to communities undertaking local consultations to understand what the preferred ways to deliver and fund local services will be for the future.

Mostly there was limited recognition of the role of town and parish councils in supporting future provision. However, in practice town and parish councils are already supporting the local delivery of youth activities in a number of areas.

Community Enablement Officers will continue to work with town and parish councils to explore ways of securing funding for the on-going delivery of youth activities. The SYA and Energize will also have a key role in supporting the development of new sustainable local delivery arrangements, particularly within those areas of greatest need.

5.4 Subject to Cabinet approving the proposed revised criteria set out in 5.2, table 2 summarises the proposed funding allocations for 2017/18 alongside current

funding allocations for 2016/17.

Table 2

LJC Area	Specific Needs Score (ref 2.2)	2016 funding allocation		Proposed 2017/18 funding allocation
		£3,000 Rurality Allocation	Total Funding	Total Funding
Shrewsbury	2.48		£81,500	£40,750
Oswestry	0.75		£24,640	£11,500
Market Drayton	0.73		£24,060	£11,500
Whitchurch	0.47		£15,580	£11,500
Longden, Ford, Rea Valley and Loton	0.42	√	£16,630	£6,000
Gobowen, Selattyn, St Martin's, and Weston Rhyn	0.37		£12,120	£8,500
Ludlow and Clee area	0.33		£10,850	£11,500
Bridgnorth, Worfield, Alveley and Claverley	0.31		£10,120	£11,500
Wem and Shawbury	0.29	√	£12,450	£4,500
Bishop's Castle, Chirbury, Worthen and Clun	0.19	√	£3,000	
Strettondale and Burnell	0.18	√	£3,000	
Ellesmere	0.17	√	£3,000	
Five Perry Parishes	0.17			
Tern and Severn Valley	0.16	√	£3,000	
St Oswald	0.15	√	£3,000	
Craven Arms and Rural	0.15	√	£3,000	
Highley and Brown Clee	0.14	√	£3,000	
Shifnal and Sheriffhales	0.13			
Cleobury and Rural	0.11	√	£3,000	
Bayston Hill	0.09			
Broseley and Rural	0.09			
Albrighton	0.07			
Much Wenlock and Shipton	0.04	√	£3,000	
Total			£234,950	£117,250

Proposed 2017/18 funding allocations for individual LJC areas are summarised below:

- For Shrewsbury, Oswestry, Market Drayton, Whitchurch, Ludlow and Bridgnorth, sufficient funding is proposed for the employment of two youth workers per session; currently in most cases existing sessions are supported by three youth workers. It should be noted that under the proposed funding arrangements consideration will also need to be given to any future room hire charges, which will no longer be directly subsidised by Shropshire Council.
- For Minsterley, Weston Rhyn, Gobowen and Wem sufficient funding is provided to support the employment of one youth worker per session;

currently in most cases existing sessions are supported by two youth workers.

Therefore, for the youth clubs described above to continue to operate safely in 2017/18 additional funding will be required in order to employ an additional member of staff and / or trained and skilled volunteers.

- Within Westbury, Ford, Nesscliffe, Hanwood, St Martins and Shawbury youth club provision is now well established. A small funding allocation will further increase the prospects of long term sustainability independent of Shropshire Council.

- 5.5 In response to the consultation and in recognition of the potential consequences of the proposed complete removal of funding from some areas (in the nine areas currently only receiving rurality funding) it is proposed to create a one off (i.e. for 2017/18 only) “**transition grant pot**”.

The aim will be to use the grant pot to support long term local sustainable youth provision. Funding of up to £1,500 will be awarded to local town / parish councils or appropriately constituted youth consortia to match an equivalent sum raised locally and to be spent in support of the delivery of activities for young people, particularly where their needs are not catered for by mainstream provision. In adopting this approach, it is anticipated that the Council will be the enabler of activities rather than the direct commissioner.

- 5.6 There are opportunities to use funding allocations flexibly to maximise resources with respect to the future design of the activities, the way that they are delivered, for example through increased use of volunteers, and as match funding to draw down additional awards. In practice limited suggestions were made about how future funding might be best spent and used to support alternative delivery approaches that provide positive local outcomes for young people.

The SYA and Energize will continue to have a key role in supporting the development of new sustainable local delivery arrangements, particularly within those areas of greatest need. Community Enablement Officers will also continue to work with town and parish councils to explore ways of securing funding for the on-going delivery of youth activities.

6.0 Review of Community Asset Transfer of youth centres

- 6.1 Of the 6 council owned youth centres – Whitchurch, Market Drayton, The Grange, Sundorne, Monkmoor and Bridgnorth – previously advertised as being available on the Community Asset Transfer Register, business plans are being developed for three properties. In addition, an options appraisal is being undertaken in relation to a number of different alternatives for the future use of Bridgnorth Youth Centre.

Business Plans will be required to demonstrate that organisations proposals for the building are viable and sustainable in the future. The assessment process will continue through 2016/17 with the intention, where possible, of confirming new management arrangements in the near future. The Council is working with the preferred organisations to determine whether they are prepared to support ongoing youth activity where required.

It should be noted that applications are subject to receipt of further information and Council processes and approvals and that no decisions have yet been taken.

- 6.2 The Centre in Oswestry is being retained corporately and will continue to host and support youth activities.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) Shropshire Children's Trust Children, Young People and Families Plan 2014 Changes to Youth Services, Young People's Scrutiny Committee, 30 April 2014 Future Commissioning and provision of youth activities, Portfolio Holder Decision, 2 July 2014 Update – Future Commissioning and Provision of youth activities, Children & Young People's Scrutiny Committee, 22 October 2014 Local Joint Committees – Update on youth commission and boundaries, Cabinet, 10 December 2014 Youth Commissioning Update, Children & Young People's Scrutiny Committee, 24 June 2015 Delegation of the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council and recommendations for Broseley Youth Club, Cabinet, 29th July 2015 Support for Youth Activities update, Young People's Scrutiny Committee, 4 November 2015 Support for Youth Activities update, Young People's Scrutiny Committee, 3 February 2016</p>
<p>Cabinet Member: Cllr David Minnery – Portfolio Holder for Children and Young People</p>
<p>Local Members: All Members</p>
<p>Appendices: Appendix 1 – Equality and Social Inclusion Impact Assessment Appendix 2 – The Local Commissioning of Youth Activities, Frequently Asked Questions</p>

Appendix 1 Shropshire Equality and Social Inclusion Impact Assessment (ESIIA)

Contextual Notes 2014

The What and the Why:

The Equality and Social Inclusion Impact Assessment (ESIIA) tool replaces the Equality Impact Needs Assessment (EINA) tool previously in use by Shropshire Council. It is a tool to help us to identify whether or not any new or significant changes to services, including policies, procedures, functions or projects, may have an adverse impact on a particular group of people, and whether the human rights of individuals may be affected.

What we are now doing is broadening out such assessments to consider social inclusion. This is so that we are thinking as carefully and completely as possible about all groups and communities in Shropshire, including people in rural areas and people we may describe as vulnerable, as well as people in what are described as the nine 'protected characteristics' of groups of people in our population, eg Age, eg Gender Reassignment. We demonstrate equal treatment to people who are in these groups and to people who are not, through having what is termed 'due regard' to their needs and views when developing and implementing policy and strategy and when commissioning, procuring, arranging or delivering services.

It is a legal requirement for local authorities to assess the equality and human rights impact of changes proposed or made to services, such as through a new policy or a change in procedure. Carrying out ESIIAs helps us as a public authority to ensure that, as far as possible, we are taking actions to meet the general equality duty placed on us by the Equality Act 2010 to have what is called *due regard* to the three equality aims in our decision making processes. These are: eliminating discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good relations.

The How:

The assessment comprises two parts: a screening part, and a full report part.

Screening (Part One) enables energies to be focussed on the service changes for which there are potentially important equalities and human rights implications. If screening indicates that the impact is likely to be positive overall, or is likely to have a medium or low negative or positive impact on certain groups of people, a full report is not required. Energies should instead focus on review and monitoring and ongoing evidence collection, enabling incremental improvements and adjustments that will lead to overall positive impacts for all groups in Shropshire.

A **full report (Part Two)** needs to be carried out where screening indicates that there are considered to be or likely to be significant negative impacts for certain groups of people, and/or

where there are human rights implications. If you are not sure, a full report is recommended, as it enables more evidence to be collected that will help you to reach an informed opinion.

Shropshire Council Part 1 ESIIA: initial screening and assessment

Please note: prompt questions and guidance within boxes are in italics. You are welcome to type over them when completing this form. Please extend the boxes if you need more space for your commentary.

27 11 14

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Name of service change

Local Commissioning of Youth Activities

Aims of the service change and description

In 2015 Shropshire Council (SC) changed the way that it delivers group activities for young people aged 10 to 19 years old (25 for young people with learning difficulties) moving away from direct delivery to commissioning services.

In 2015 SC funding was provided to 18 Local Joint Committees* (LJCs) based on a formula that calculates the areas of greatest need and rural isolation.

[*23 Local Joint Committees (LJCs) provide an opportunity for local town and parish councils and Shropshire Council members to work together to address local community needs and priorities]

Supported by Community Enablement Team officers these LJCs make recommendations for the commissioning of activities for young people within their communities. Under this way of working Local Joint Committees undertake a review of existing provision and make recommendations on appropriate future provision for young people based on local need. Their recommendations are then procured by Shropshire Council through an appropriate provider.

Since the new model was introduced over 70 separate awards have been made to over 50 different providers. Awards range from small grants of less than £200, for example, for the purchase of equipment by community groups, to large contracts to established youth activity providers. The learning from the local commissioning of youth activities suggests that awards are making a positive difference to the lives of young people.

Looking forward the Council's Medium Term Financial Strategy confirms the requirement to make 50% savings to the locally commissioned youth activities budget from 2017/18, leaving an available budget of £117,475 per annum.

From April 2016 it is proposed to provide funding to 9 LJC areas based on an assessment of need, experience gained to date and the opportunity to create long term sustainable local provision.

Funding allocations, current and proposed, are summarised within the table below:

		2015 funding allocation (for a full year)		Proposed 2017/18 funding allocation
LJC Area	Specific Needs	£3,000 Rurality	Total Funding	

	Score	Allocation		Total Funding
Shrewsbury	2.48		£81,500	£40,750
Oswestry	0.75		£24,640	£11,500
Market Drayton	0.73		£24,060	£11,500
Whitchurch	0.47		£15,580	£11,500
Longden, Ford, Rea Valley and Loton	0.42	√	£16,630	£6,000
Gobowen, Selattyn, St Martin's, and Weston Rhyn	0.37		£12,120	£8,500
Ludlow and Clee area	0.33		£10,850	£11,500
Bridgnorth, Worfield, Alveley and Claverley	0.31		£10,120	£11,500
Wem and Shawbury	0.29	√	£12,450	£4,500
Bishop's Castle, Chirbury, Worthen and Clun	0.19	√	£3,000	
Strettondale and Burnell	0.18	√	£3,000	
Ellesmere	0.17	√	£3,000	
Five Perry Parishes	0.17			
Tern and Severn Valley	0.16	√	£3,000	
St Oswald	0.15	√	£3,000	
Craven Arms and Rural	0.15	√	£3,000	
Highley and Brown Clee	0.14	√	£3,000	
Shifnal and Sheriffhales	0.13			
Cleobury and Rural	0.11	√	£3,000	
Bayston Hill	0.09			
Broseley and Rural	0.09			
Albrighton	0.07			
Much Wenlock and Shipton	0.04	√	£3,000	
Total			£234,950	£117,250

Alongside support for direct provision in areas of greatest need SC has commissioned the service of an Infrastructure Support Provider (Shropshire Youth Association and Energize). The role of this consortium is to provide a range of support to largely volunteer based community based youth activity. Over 100 clubs are now affiliated to the Shropshire Youth Association and receive a wide range of support. Further details can be found at: <http://www.sya.org.uk/>

Intended audiences and target groups for the service change

The following points underpin the Council's approach to the commissioning of youth activities:

- As a local authority, Shropshire Council has a duty to secure, so far as reasonably practicable, equality of access for all young people to the positive, preventative and early help they need to improve their well-being.
- The Council must also take steps to gain the views of young people and to take them into account in making decisions about services and activities for them.
- The Council's aim is to ensure that as many young people as possible, can access a wide range of activities after school, at weekends and in school holidays. These activities are known collectively as Youth Activities and their purpose is to support young people's well-being, development of personal and social education and preparation for adulthood.
- Youth Activities are part of Shropshire's Early Help Offer for young people.
visit: <https://shropshire.gov.uk/media/1216935/Shropshire-CYPF-Plan-2014.pdf>

- The provision of youth activities will contribute to the following outcome areas in the Shropshire's Children, Young People and Families Plan 2014:
 1. Ensuring all Children & Young People are safe and well looked after in a supportive environment
 2. Narrowing the achievement gap in education & work
 3. Ensuring emotional wellbeing of Children & Young People by focusing on prevention and early intervention
 4. Keeping more Children & Young People healthy and reducing health inequalities

Visit: <https://shropshire.gov.uk/media/1216935/Shropshire-CYPF-Plan-2014.pdf>

Summary of principal target groups:

- Young people aged between 10 to 19, as well as up to their 25th birthday if they have learning difficulties
- Young people, identified through a review of local evidence and the knowledge of LJC members and stakeholders, whose needs are not fully catered for by mainstream provision, through the voluntary sector or by other means and who may benefit from "targeted youth worker support".
- The parents, carers and families of young people
- Positive activity providers, and their workers and volunteers delivering activities

Summary of other target groups:

- LJC SC members & Town / Parish Council members
- Other council services supporting children & families
- Partner organisations supporting children & families
- Pre-school, school and further education providers
- Wider voluntary and community sector
- Wider business community

Evidence used for screening of the service change

Eight measures were confirmed by Cabinet in December 2014 to calculate an index of specific youth related need for each LJC. These eight measures were chosen to best reflect the outcomes sought by the Children's Trust. A needs score was calculated for each LJC area, which was used to determine the proportion of funding allocated to the LJC. The eight measures used in the funding formula were as follows:

- The no of 10-19 year olds
- The no of 10-19 year olds with a learning disability
- The no of 10-10 year olds living in a deprived area
- The no of 10-17 year olds offenders
- The no of 10-19 year olds with poor school attendance
- The no of referrals to social care for 10-17 year olds
- Occurrence of anti-social behaviour
- Percentage of obesity of 10-11 year olds

One measure, the number of 10-19 year olds per square mile, was used to distinguish rural areas from market towns. This was used to determine a specific rurality contribution, allocated separately from the main element of the funding determined by the formula described above.

<http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?CId=130&MID=2359>

In the development of specific local youth commissioning proposals in 2015 LJCs:

- (a) Took advice from SCs Positive Activities team and the councils Infrastructure Support provider, Shropshire Youth Association & Energize
- (b) Examined a range of evidence and facts

- (c) Considered existing youth activity provision
- (d) Considered the outcomes of previous consultations with young people
- (e) Met with existing providers and potential future providers
- (f) Met with young people within existing SC youth club, other youth club and school settings
- (g) Conducted surveys of young people
- (h) Communicated their finding and commissioning recommendations at public meetings

Looking forward, and in the context of significant budget reductions, our approach to maximising the value of funding from April 2017 is based on:

- Targeting funding to those areas where previous intelligence has confirmed that the “specific needs” are the highest
- Withdrawing all “rurality” funding allocations – funding largely relates to areas that have historically not been directly funded and that have reasonably well developed voluntary sector providers. Voluntary sector providers will continue to be supported by the SYA and Energize.

Alongside the above, the aim in awarding funding from 2017/18 to a limited number of areas will be to provide the best chance of encouraging long term sustainable local provision independent of direct financial support by the Council by:

- Encouraging the community to take “ownership” of local provision, for example through the creation of local youth forums, fund raising and even the direct employment of youth workers.
- Encouraging partner financial contributions that support on-going provision, for example via local town and parish councils, businesses, etc.
- Encouraging and supporting the role of qualified volunteer youth workers working alongside paid youth workers where appropriate
- Supporting a creative and innovative approach to provision that maximises positive outcomes for young people, reduces costs and maximises income

Further details of funding proposals for individual areas are provided below:

How have you arrived at the proposed funding allocations for Shrewsbury, Oswestry, Market Drayton, Whitchurch, Ludlow and Bridgnorth?

The proposed funding is approximately sufficient funding for the employment of two youth workers per session. Currently in most cases existing sessions are supported by three youth workers and this remains best practice with regard to safe and supportive operating practices for busy town based sessions with a high volume of participants.

Therefore, for existing youth clubs to continue operating safely in 2017/18 additional funding, equivalent to approximately £1,250 per club, will be required in order to employ a third member of staff and / or trained and skilled volunteers will need to recruited.

How have you arrived at the proposed funding allocations for Minsterley, Weston Rhyn, Gobowen and Wem?

Within these areas there remains a need to build on existing financial support within the context of developing local sustainable provision independent of Shropshire Council. The funding proposed in 2017/18 is based on the “Shropshire Youth Association Partnership Offer” to provide one youth worker alongside a local management committee and the active involvement of volunteers.

How have you arrived at the proposed funding allocations for Westbury, Ford, Nesscliffe, Great Hanwood, St Martins and Shawbury?

Youth club provision within these communities is now well established with strong prospects of being maintained locally. A small funding allocation will further increase the prospects of long term sustainability without Shropshire Council funding.

Transition grant pot

In recognition of the potential consequences of the complete removal of funding from some areas (in

the nine areas currently only receiving rurality funding) it is proposed to create a one off (i.e. for 2017/18 only) “transition grant pot”. The aim will be to use the grant pot to support long term local sustainable youth provision. Funding of up to £1,500 will be awarded to local town / parish councils or appropriately constituted youth consortia to match an equivalent sum raised locally and to be spent in support of the delivery of activities for young people, particularly where their needs are not catered for by mainstream provision. In adopting this approach, it is anticipated that the Council will be the enabler of activities rather than the direct commissioner.

Specific consultation and engagement with intended audiences and target groups for the service change

In developing its approach to the local commissioning model, Shropshire Council conducted a specific consultation with stakeholders over an 11-week period in **January to March 2014**. The aim of the consultation was to seek feedback on the proposed model of commissioning. We used an online survey to achieve the consultation.

The consultation generated 591 responses, including 289 young people. Most stakeholders agreed with the principles of the proposal. Concern and confusion was also expressed about some aspects of the proposal. The responses were used to further develop the proposal and included:

- Reducing the bureaucracy by using existing local governance boards (LJCs)
- Further development on how to best engage young people in commissioning
- Adding clarity on roles and responsibilities
- Communicating our plans as clearly as we can and to continue to engage with stakeholders to keep them informed of progress.

A formal public consultation on youth activity provision ran for a six-week period from **11th May to 22nd June 2015**. The consultation was primarily web based, using the “Have your say” section of Shropshire Council’s website and a survey monkey questionnaire. In addition, a range of specific consultation sessions were undertaken with young people. The consultation provided specific detailed information on the proposals developed by the Local Joint Committees for the nine areas that have current SC delivered youth services, i.e.:

- Bishop’s Castle
- Bridgnorth
- Broseley
- Craven Arms
- Ludlow
- Market Drayton
- Oswestry
- Shrewsbury
- Whitchurch

A total of 145 responses were received. 89% of these responses were from people from a white British background, 34% of respondents are between 30-59 years of age and 41% were under 19 years of age. Nearly 71% of respondents are female and 8% declared that they have a disability. 28% of responses were from residents of the Bridgnorth area, 24% from the Shrewsbury area and 18% from the Broseley area.

Overall 52% of respondents did not agree with the commissioning intentions outlined within the consultation. Many of these 52% of responses relate specifically to Broseley (17% of the 52%).

The following trends can be seen in the responses given as to why respondents don’t agree:

- Concern over the capacity and expertise of the voluntary/ community sector to deliver appropriate youth work
- Concern over the criteria used to calculate which areas are proposed to receive funding- in particular relating to Broseley
- Concern over the level of resources being insufficient to deliver a quality service

- Concern over the impact of reduction in or withdrawal of funding for activities- particularly around the risk of increased anti-social behaviour, petty crime and vandalism

Many respondents (44%) were willing to provide some ideas around alternative provision. The following trends can be seen:

- Use of and investment into existing organisations such as scouts and the Air Training Corps and infrastructure within communities such as village and community halls
- The need to focus on school holidays, evenings and weekends
- The need to join up provision with other partners- e.g. police
- The need to find solutions to the isolation of young people in rural areas
- The need to continue to support professional youth workers

The final question on the questionnaire provides space for any further comments to be made. 42% of respondents took the opportunity to provide comment and again many (15%) relate to Broseley.

Trends in these comments are:

- Youth services should continue to be delivered by Shropshire Council
- Particular concern over the cuts in funding to certain areas and their impact on communities
- Concern over the capacity of the voluntary/ community and Parish and Town Council sector to work with young people currently supported by direct youth services

Following confirmation of the 50% budget reduction from April 2017 LJsCs (local Members and town and parish council members) were consulted on proposed funding allocations from the **summer to 30th September 2016**. In support of the consultation a set of Frequently Asked Questions were provided.

Comments were received from twelve areas out of a total of eighteen areas that received funding in 2016/17. The level of feedback may partly reflect the fact that in recent years nine of these areas, mostly those that have only received rurality funding, have not been directly supported by Shropshire Council. It is also noteworthy that in a limited number of areas LJsCs found it difficult to spend their full allocation on appropriate local projects.

The consultation generated a number of comments which are summarised together with a Council response below.

Comments	Shropshire Council response
Concern that there had been no consultation on the proposed change to criteria used to allocate funding in 2017/18	A set of Frequently Asked Questions accompanied the consultation. These set out the rationale for the proposed funding allocations. Local Joint Committee members have been provided with the opportunity to comment on suggested allocations and to provide arguments in support of a different approach. Responses have been collated within this report with the final approach subject to a Cabinet decision.
Suggestion that funding should be reduced by 50% across all those areas that previously received funding	Officers consider that this “one size fits all” approach is a blunt and non-evidence based way to allocating limited resources. It is recognised that proposals to reduce all rurality funding will have a potential negative impact on young people but these areas have largely not previously had Council funding, have a reasonably well developed voluntary sector and will continue to be proactively supported by the Council’s infrastructure support provider partner and by Community Enablement Team officers.
Within the nine areas currently receiving specific needs funding comments were received from seven areas. Two areas did not respond; five were broadly in agreement with the	It is proposed that Oswestry receives the same level of funding as Market Drayton, Whitchurch, Ludlow and Bridgnorth. Funding has been calculated to be almost sufficient to run two weekly term time youth clubs with three qualified employed youth workers. Some additional financial support, for example from the respective Town Council, could be considered to supplement this depending on the chosen delivery model. It is recognised that the funding allocations will provide little or no opportunity for additional

<p>proposals; and two, Longden and Oswestry, were against.</p>	<p>grant aided support to local voluntary groups, but support will continue to be provided by the Council's infrastructure support provider partner and by Community Enablement Team officers.</p> <p>Funding for the Longden LJC area has been determined on the basis of how the existing financial support provided to five youth clubs – Minsterley, Westbury, Hanwood, Ford and Nesscliffe - can be built on to provide the best chance of long term sustainability independent of the Council. In recent time three established youth clubs – Ford, Hanwood, and Nesscliffe - were solely supported by their local parish councils and their fund raising efforts.</p> <p>Although no specific alternative proposals have been suggested on how to sustain local youth provision in Longden LJC, representations have been made that this should be left to the LJC to recommend following a full analysis of the evidence and opportunities; it is proposed to organise an LJC planning meeting to confirm allocations as soon as possible, bearing in mind that cabinet have already determined the funding criteria and allocations.</p>
<p>Within the 9 areas receiving only rurality funding comments were received from 6 areas. 2 areas acknowledged the Council's budget situation. Bishops Castle, Craven Arms, Strettondale and St Oswald & Llanymynech made a case for ongoing support:</p> <ul style="list-style-type: none"> • "Investment" in young people • Match funding to support the development of local capacity and sustainability • Deprivation and local need • Rurality and transport challenges • Response to anti-social behaviour issues <p>Bridgnorth LJC also made a plea to retain its rurality funding contribution on top of its specific needs funding based on its large area and numerous small communities.</p>	<p>In considering feedback from these areas it is noteworthy that (a) in recent years most of these areas have not been directly supported by Shropshire Council; (b) a limited number of LJCs found it difficult to spend their full allocation on appropriate local projects; and (c) where funding was awarded it tended to be mainly small grants to existing clubs to enable them to purchase equipment and to supplement existing activities rather than to support new activities.</p> <p>Ideally the Council would like to provide ongoing support to young people in all LJC areas. However, in the context of a significantly reduced budget the principle of directing resources to the areas of greatest need has previously been accepted. While issues resulting from dispersed communities are recognised as important additional budget reductions require a further review of where limited resources are best spent.</p> <p>However, in order to ease the transition to zero funding (in the nine areas currently only receiving rurality funding) and to support long term local sustainable provision it is proposed to create a one off (i.e. limited to 2017/18) match grant funding pot of up to £1,500. Funding will be awarded to local town / parish councils or appropriately constituted youth consortia to match an equivalent sum raised locally and to be spent in support of the delivery of activities for young people. In adopting this approach, it is anticipated that the Council will be the enabler of activities rather than the direct commissioner.</p> <p>Alongside this proactive support will continue to be provided in rural areas by the Council's infrastructure support provider partner and by Community Enablement Team officers, and this will include opportunities to fund raise to support local activities.</p>

The response to the consultation has been used to inform the proposed funding allocations, in particular the development of a one off "transition grant pot".

Potential impact on Protected Characteristic groups and on social inclusion

Guidance notes on how to carry out the initial assessment

Using the results of evidence gathering and specific consultation and engagement, please consider how the service change as proposed may affect people within the nine Protected Characteristic groups and people at risk of social exclusion.

1. Have the intended audiences and target groups been consulted about:
 - their current needs and aspirations and what is important to them;
 - the potential impact of this service change on them, whether positive or negative, intended or unintended;
 - the potential barriers they may face.
2. If the intended audience and target groups have not been consulted directly, have representatives been consulted, or people with specialist knowledge, or research explored?
3. Have other stakeholder groups and secondary groups, for example carers of service users, been explored in terms of potential unintended impacts?
4. Are there systems set up to:
 - monitor the impact, positive or negative, intended or intended, for all the different groups;
 - enable open feedback and suggestions from a variety of audiences through a variety of methods.
5. Are there any Human Rights implications? For example, is there a breach of one or more of the human rights of an individual or group?
6. Will the service change as proposed have a positive or negative impact on fostering good relations?
7. Will the service change as proposed have a positive or negative impact on social inclusion?

Guidance on what a negative impact might look like

High Negative	Significant potential impact, risk of exposure, history of complaints, no mitigating measures in place or no evidence available: urgent need for consultation with customers, general public, workforce
Medium Negative	Some potential impact, some mitigating measures in place but no evidence available how effective they are: would be beneficial to consult with customers, general public, workforce
Low Negative	Almost bordering on non-relevance to the ESIIA process (heavily legislation led, very little discretion can be exercised, limited public facing aspect, national policy affecting degree of local impact possible)

Initial assessment for each group

Please rate the impact that you perceive the service change is likely to have on a group, through inserting a tick in the relevant column.

Protected Characteristic groups and other groups in Shropshire	High negative impact <i>Part Two ESIA required</i>	High positive impact <i>Part One ESIA required</i>	Medium positive or negative impact <i>Part One ESIA required</i>	Low positive or negative impact <i>Part One ESIA required</i>
<p>Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)</p>			<p>Some potential negative impact on young people in areas not receiving funding. etc.</p> <p>Note that the potential impact of funding reductions within areas previously only receiving rurality funding will be partly mitigated by the creation of “transition grant pot”</p>	<p>Provision is for young people aged 10 – 19 (25 with learning difficulties). Within this range, there may be activities that are aimed at specific age ranges (e.g. older teenagers) and this will be determined by local circumstances and needs.</p> <p>Note that SYA and Energize are commissioned by Shropshire Council to provide support to the voluntary sector to provide youth. Alongside this CET officers will continue to support the development of local community groups to access funding</p>
<p>Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)</p>			<p>Some potential negative impact on young people in areas not receiving funding.</p>	<p>Provision is for young people aged 10 – 19 (25 with learning difficulties). Specifically, activity is geared towards meeting the needs of young people whose needs are not fully catered for by mainstream provision, through the voluntary sector or by other means” and who may benefit from “targeted youth worker support”.</p> <p>Note the Council will continue to provide specialist support for young people with additional learning needs:</p> <ul style="list-style-type: none"> • Smile, Monkmoor • Big Time Club, Harlescott • Who, Bridgnorth <p>The Short Breaks Programme provides opportunities for children and young people up to and including 18 years of age who have a disability or additional needs that make (or would make) attending mainstream clubs, groups or facilities difficult.</p> <p>The Short Breaks programme is commissioned by the Council to a variety of specialist providers.</p>

Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			Some potential negative impact on young people in areas not receiving funding.	No young people will be excluded on the basis of their gender. Some youth club groups may, however, be single sex groups. Note that alongside LJC commissioning the Council will continue to provide specialist activities for young people within the LGBT group in Shrewsbury. This group meets once a month and attracts support from across the county.
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)				N/a
Pregnancy and Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			Some potential impact on young people in areas not receiving funding.	No young people will be excluded on the basis of pregnancy or being a parent, where an activity does not compromise their health & safety. The service does not provide childcare, which may prevent young parents from accessing.
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)			Some potential impact on young people in areas not receiving funding.	No young people will be excluded on the basis of race.
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)			Some potential impact on young people in areas not receiving funding. etc.	No young people will be excluded on the basis of their religion or belief.
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			Some potential negative impact on young people in areas not receiving funding.	No young people will be excluded on the basis of their gender. Exceptions may apply where group activities are specifically designed for boys or girls.
Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)			Some potential impact on young people in areas not receiving funding.	No young people will be excluded on the basis of their sexual orientation. Note that alongside LJC commissioning the Council will continue to provide specialist activities for young people within the LGBT group in Shrewsbury. This group meets once a month and attracts support from across the county.
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees)			Being a young carer may prevent a young person from	YP experiencing or at risk of child sexual exploitation (CSE) are now acknowledged as a vulnerable group. While this approach does not

and asylum seekers; rural communities; people you consider to be vulnerable)			<p>participation.</p> <p>Having child care responsibilities may prevent young persons from participating</p> <p>Rurality may prevent young people from accessing activities.</p> <p>Poverty may prevent young people from accessing activities.</p>	<p>prevent this group accessing youth activities, there is an opportunity for youth providers to raise awareness of CSE and to be able to refer to relevant support when needed.</p> <p>Note that it is expected that the use of local resources and existing volunteers will result in cost effective provision.</p> <p>The infrastructure support provider can advise community based providers on building their capacity to work with volunteers. This has the potential to help young people access activities</p>
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Decision, review and monitoring

Decision	Yes	No
Part One ESIIA Only?	x	
Proceed to Part Two Full Report?		X

If Part One, please now use the boxes below and sign off at the foot of the page. If Part Two, please move on to the full report stage.

Actions to mitigate negative impact or enhance positive impact of the service change
<p><i>Check: for the groups affected, what actions will you now take to mitigate or enhance impact of the service change? For example, if you are reducing a service there may be further use you could make of publicity and awareness raising through social media and other channels to reach more people who may be affected.</i></p> <p>Limiting funding to fewer areas than previously has the potential to result negative impact to young people in areas where funding is withdrawn or significantly reduced.</p> <p>However, in the context of 50% of existing funding it makes sense to target this at young people with the greatest need; not surprisingly all the evidence suggests that this is largely within areas of deprivation within the main Shropshire market towns.</p> <p>Outside these areas there has in the main been no recent history of direct youth activity provision by Shropshire Council. Rather the Council's approach has been to engage an "infrastructure support provider", the Shropshire Youth Association (working more recently with Energize), to support the development of safe and effective voluntary sector providers; this approach will continue.</p> <p>Most funding outside the areas of greatest need has been directed at existing youth clubs and has provided some additional support with the purchase of equipment or on putting on additional activities. It is not anticipated that the withdrawal of funding within these areas will result in clubs folding.</p>

However, the potential impact of funding reductions within areas previously only receiving rurality funding will be partly mitigated by the creation of one off “transition grant pot”.

Alongside the infrastructure support provider Community Enablement Team Officers will continue to support local youth clubs to access funding and provide sustainable delivery.

In the 2015 consultation a significant number of comments were specifically raised by young people in Broseley in response to proposals to withdraw funding completely. As a response a one off grant was provided alongside an extension of the Much Wenlock funding allocation to include Broseley. As a result the Broseley Youth Forum has developed a plan for youth activity and supported a weekly youth club. The Council will continue to “support” the development of local sustainable provision independent of Shropshire Council funding.

Actions to review and monitor the impact of the service change

Check: what arrangements will you have in place to continue to collect evidence and data and to continue to engage with all groups who may be affected by the service change, including the intended audiences? For example, customer feedback and wider community engagement opportunities, including involvement of elected Shropshire Council councillors for a locality.


- Ongoing evaluation and review of the ESIIA including mitigating actions and actions to enhance the positive impact resulting from funding allocations.
- Ongoing evaluation of local commissioning of youth activities, providing opportunity for continuous improvement and ensuring mitigation of any negative impact.
- Ongoing monitoring at a local level by the LJC in line with provider contracts / grants and with outcome targets
- Feedback from young people and their families and providers as part of the review process
- Management information from providers about the number and nature of service users, the needs of service users, the achievement of commissioning outcomes, and the impact of service provision on equalities.
- Management information from the infrastructure support provider on the number of clubs supported, nature of support, etc.
- Research into good practice at sub-regional and national level, including support to young people and their families living in rural areas.

Activity at Part One screening stage

Names (list those involved in carrying out assessment)	Job titles	Contact details
Neil Willcox	Local Commissioning Manager	01743 255051
Date commenced		
Date updated	10 th October 2016	
Date transferred to ESIIA		

Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>	Neil Willcox	10/10/16
<i>Any internal support</i>		

<i>Any external support</i>	 Mrs Lois Dale, Rurality and Equalities Specialist	10/10/16
<i>Head of service</i>		

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>	Neil Willcox	10/10/16
<i>Head of service's name</i>	George Candler	

Appendix 2

The Local Commissioning of Youth Activities

Proposed Funding Allocations in 2017/18

08 August 2017

Frequently Asked Questions

What do you mean by youth activities and outcomes for young people?

The “universal” provision of group youth work and other activities for young people aged between 10 to 19 years old and up to 25 for those with learning disabilities.

Our overall high level aim is to ensure that as many young people as possible can access a wide range of group activities after school, at weekends and in school holidays. The purpose of these activities is to support young people’s well-being, development of personal and social education and preparation for adulthood. We want young people to be involved in their development.

This work will contribute to two outcome areas in the Shropshire’s Children, Young People and Families Plan 2014, namely:

- No. 3 Ensuring the emotional wellbeing of children and young people by focusing on prevention and early intervention.
- No. 4 Keeping more children healthy and reducing health inequalities.

Locally outcomes will reflect the needs and circumstances of the particular area and should be linked to the long term sustainability of provision.

How do youth activities work alongside other services for young people?

Youth activities form part of “universal” provision for young people. Where there are specific additional needs of a young person or issues impacting on parental capacity that are relatively low level, youth activities workers or volunteers may be able to take swift action within the community to meet these.

If a young person’s situation is not fully understood or if there are indicators that a young person and family would benefit from more targeted support then the young person can be referred to Early Help for an assessment. Early Help can be provided within a range of support services including dedicated social workers, Child and Adolescent Mental Health Service, Substance Misuse Teams, Targeted Youth Services and Parenting Programmes. Access to Early help services is provided through a single point of access gateway, COMPASS, which provides a timely, appropriate response to all requests for support including professionally assessed and un-assessed needs and self-referrals.

How will you support community based youth organisations?

Shropshire Council has a contract with the Shropshire Youth Association, our Youth Activities Infrastructure Partner, to:

- Provide direct support for community based organisations which provide activities for young people
- Ensure that what is delivered is safe and of a set quality by providing training and support for providers where this is needed

It is proposed that, subject to a review, this contract will continue for up to a further two years from 2017/18.

For more information about SYA visit: <http://www.sya.org.uk/>

What progress has been made to date in commissioning youth activities locally?

Local Joint Committees supported by Community Enablement Team officers made recommendations for the commissioning of activities for young people within their communities. To date 72 separate awards have been made to 53 different providers in 18 Local Joint Committee areas. Awards range from small grants of less than £200, for example, for the purchase of equipment by community groups to large contracts to established youth activity providers. In Shrewsbury the full responsibility for the delivery / commissioning of youth activities has been transferred within a formal delegation agreement from Shropshire Council to Shrewsbury Town Council. The learning from the local commissioning of youth activities suggests that awards are making a positive difference to the lives of young people.

How much funding will be available in 2017/18?

Cabinet has confirmed within its Financial Strategy that 50% of the funding available to support the local commissioning of youth activities in 2016/17 will be available to support the local commissioning of youth activities in 2017/18; i.e. £117,475.

Currently the same level of funding, i.e. £117,475, is also proposed for 2018/19, but this will be kept under review in the context of the Council's financial strategy. No funding allocation has currently been identified beyond 2018/19.

For more details, visit the **Financial Strategy 2017/18 – 2019/20** at

<http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?Cid=130&Mid=3358&Ver=4>

How did you allocate money in 2015/16 and 16/17?

In 2015/16 and 16/17 money was allocated to individual LJs based on two factors:

- A youth specific Needs Assessment: A detailed list of statistics and information was gathered for each LJC area including information on numbers of young people, disabled young children, children living in deprived areas, ex-offenders, education access, referrals to social care, anti-social behaviour, childhood obesity, mental health. These data sets are used by the Children's Trust and by Children and Young People's Services to identify and suggest where there are vulnerable young people.
- Rurality based on the population density of 10 to 19 years olds

How do you propose to allocate money in 2017/18?

Our proposed approach to maximising the value of future funding is based on:

- Targeting funding to those areas where previous intelligence (see above) has confirmed that the "specific needs" are the highest
- Withdrawing all "rurality" funding allocations – funding largely relates to areas that have historically not been directly funded and that have reasonably well developed voluntary sector providers. Voluntary sector providers will continue to be supported by the Shropshire Youth Association and Energize (see above).

Alongside the above the aim in awarding funding in 2017/18 (and in 2018/19 subject to confirmation) to a limited number of areas will be to provide the best chance of encouraging long term sustainable local provision by:

- Encouraging the community to take "ownership" of local provision, for example through the creation of local youth forums, fund raising and even the direct employment of youth workers.

- Encouraging partner financial contributions that support on-going provision, for example via local town and parish councils, businesses, etc.
- Encouraging and supporting the role of qualified volunteer youth workers working alongside paid youth workers where appropriate
- Supporting a creative and innovative approach to provision that maximises positive outcomes for young people, reduces costs and maximises income

2017/18 (and 2018/19) should be viewed as a transition year towards the long term local sustainability of clubs in the future, without the need for Shropshire Council funding. Community Enablement Officers will work with town and parish councils and voluntary organisations to help progress opportunities.

The table at the back identifies the proposed funding for individual areas in 2017/18.

How have you arrived at the proposed funding allocations for Shrewsbury, Oswestry, Market Drayton, Whitchurch, Ludlow and Bridgnorth?

The proposed funding is approximately sufficient funding for the employment of two youth workers per session. Currently in most cases existing sessions are supported by three youth workers and this remains best practice with regard to safe and supportive operating practices for busy town based sessions with a high volume of participants.

Therefore, for existing youth clubs to continue operating safely in 2017/18 additional funding, equivalent to approximately £1,250 per club, will be required in order to employ a third member of staff and / or trained and skilled volunteers will need to recruited.

How have you arrive at the proposed funding allocations for Minsterley, Weston Rhyn, Gobowen and Wem?

Within these areas there remains a need to build on existing financial support within the context of developing local sustainable provision independent of Shropshire Council. The funding proposed in 2017/18 is based on the “Shropshire Youth Association Partnership Offer” to provide one youth worker alongside a local management committee and the active involvement of volunteers.

For more information contact SYA at:

Telephone: 01743 730005

Email: info@sya.org.uk

How have you arrive at the proposed funding allocations for Westbury, Ford, Nesscliffe, Great Hanwood, St Martins and Shawbury?

Youth club provision within these communities is now well established with strong prospects of being maintained locally. A small funding allocation will further increase the prospects of long term sustainability without Shropshire Council funding.

How do you intend to allocate money in 2018/19?

The allocation of funding in 2018/19 will be kept under review both in the context of the review of the Councils Medium Term Financial Plan and a review of progress made in 2017/18 on the development of locally suitable youth activity provision.

For further information contact:

Neil Willcox, Local Commissioning Manager

Neil.willcox@shropshire.gov.uk

01743 255051

Appendix: Proposed LJC funding allocations 2017/18

LJC Area	Specific Needs Score	2016/17 Total Funding (including rurality allocations where appropriate)	Summary of Main Existing Contract and Grant Values 2016/17	2017/18 Funding Derived through Specific Needs Formula	Recommendation as a result of Local/Working Knowledge and Experience	2017/18 Proposed Funding
Shrewsbury	2.48	£81,500	Shrewsbury Town Council = £81,500	£47,372	50% of the current budget; equivalent to the approximate cost of the employment of the Community Development Officer role	£40,750
Oswestry	0.75	£24,640	Fusion Arts = £21,960	£14,326	Funding provides parity with Market Drayton, Whitchurch, Ludlow and Bridgnorth	£11,500
Market Drayton	0.73	£24,060	Shropshire Youth Association = £16,706	£13,994	Based on the approximate cost of providing two term time sessions per week employing a Leader in Charge and Youth Worker + On costs + accommodation costs + contingency (ref SYA)	£11,500
Whitchurch	0.47	£15,580	Shropshire Youth Association = £16,459	£8,978	As above	£11,500
Ludlow and Clee area	0.33	£10,850		£6,304	As above	£11,500
Bridgnorth, Worfield, Alveley and Claverley	0.31	£10,120	Shropshire Youth Association = £12,685	£5,992	As above	£11,500
Total		£166,750		£96,845		£98,250

Longden, Ford, Rea Valley and Loton	0.42	£16,630	Shropshire Youth Association = £13,396 Ford Parish Council = £1,199 Nesscliffe Parish Council = £1,199 Great Hanwood = £1,199	£8,023	No rurality funding in 2017/18 Aim to make Minsterley Youth Club sustainable by providing support for one youth worker @ £4,000 (Ref SYA Partnership Offer) Limit support in Westbury, Ford, Nesscliffe and Hanwood to £500 each (all youth clubs have good prospects of being sustainable outside the Council)	£6,000
Gobowen, Selattyn, St Martin's, and Weston Rhyn	0.37	£12,120	Fusion Arts = £1,880 (Weston Rhyn & St Martins) New Saints FC = £6,429 (Gobowen)	£7,068	Aim to make Weston Rhyn & Gobowen youth clubs sustainable by providing support for one youth worker @ £4,000 (Ref SYA Partnership Offer) Limit support for youth provision in St Martins to £500 (St Martins already has an independently provided youth club)	£8,500
Wem and Shawbury	0.29	£12,450	Shropshire Youth Association = £10,358 (Wem & Shawbury)	£5,539	No rurality funding in 2017/18 Aim to make Wem Youth Club sustainable by providing support for one youth worker @ £4,000 (Ref SYA Partnership Offer) Limit support for youth provision in Shawbury to £500 (Shawbury should be sustainable with volunteers)	£4,500
Total		£41,200		£20,630		£19,000
Grand total		£207,950		£117,475		£117,250

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Cabinet

19th October 2016

Shropshire Hills Area Of Outstanding Natural Beauty, a Business Case for a New Delivery Model

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Summary

This report sets out the business case for the future structure of the Shropshire Hills Area of Outstanding Natural Beauty (AONB) organisation as an independent Conservation Board.

AONBs are formal legal designations enabled by the National Parks and Access to the Countryside Act 1949 for the principal purpose of conserving and enhancing the natural beauty of the designated area. This Act also gives local authorities, Shropshire Council and Telford Wrekin Council in this case, a power to take action to conserve and enhance the natural beauty in the AONB. The Countryside & Rights of Way Act 2000 places a statutory duty with regard to the preparation and publication of the AONB Management Plan on local authorities.

The Shropshire Hills AONB is largely within Shropshire Council's administrative area with a small area (0.6%) sitting within Telford & Wrekin Council's administrative area. The Shropshire Hills is a relatively large AONB, governed by a strong Partnership and supported by an active staff team. The context of continued structural change in local government and the broader working environment has led the AONB Partnership and the respective local authorities to recommend that the future interests of the AONB are now best served by the creation of a new independent AONB body.

It is considered that a modern, lean application of the 'Conservation Board' model enabled by the Countryside and Rights of Way Act 2000 will provide the strongest organisation possible for the long term future of the AONB. The new management structure will provide opportunities to tap into the capacity and skills of Board members, to work alongside the new Shropshire Hills AONB Trust charity, for enhanced commercial activity, to hold property and other assets, and above all the prospect of long term financial sustainability.

The creation of a Conservation Board is achieved through a Statutory Instrument laid before both Houses of Parliament. This process is led by Defra, who both make the final decision and provide the main AONB funding. Following the agreement of both Councils to the Business Case, the two Councils must write jointly to Defra to formally request them to initiate the creation of a Conservation Board.

Recommendations

Cabinet are requested, subject to the satisfactory conclusion of all necessary due diligence work:

1. To support the proposal to create an independent Conservation Board as a new structure for the management of the Shropshire Hills Area of Outstanding Natural Beauty.
2. To delegate authority to the Director of Places and Enterprise to make a joint formal application with Telford & Wrekin Council through the AONB Partnership to Defra, requesting that Defra draft the Parliamentary Establishment Order required under the Countryside & Rights of Way Act (2000) to create a new Conservation Board.
3. To delegate authority to the Director of Places and Enterprise and Head of Finance, Governance & Assurance to progress practical, legal, Board composition, financial and other formalities in consultation with the respective Portfolio Holders.
4. To receive a further report, subsequent to Defra's informal consultation with stakeholders and all necessary due diligence work and formalities, with further reports as appropriate before the finalisation of the Legal Order confirming the creation of a Conservation Board.

REPORT

The detailed Business Case in support of the creation of a Conservation Board for the Shropshire Hills Area of Outstanding Natural Beauty (AONB) is included in **Appendix 1**.

The Business Case may be the subject of further amendments informed by Defra advice and as more information becomes available on the terms of the draft establishment order and operation of the AONB Board. If there are any material amendments to the business case further reports as appropriate can be brought back to Cabinet for members to consider.

Details of the AONB, its management plan, governance arrangements and work of the AONB Partnership can be viewed at: <http://www.shropshirehillsaonb.co.uk/>

1.0 Risk Assessment and Opportunities Appraisal

The Conservation Board model is designed specifically for AONBs and is considered to have a number of potential advantages. It will:

- Be a relevant, progressive and locally determined model, supported by both Councils, as well as partner organisations and stakeholders within the AONB.
- Provide a strong, independent structure with an unequivocal focus on the AONB.
- Build on the existing strong engagement of partner organisations and individuals, and energise this through providing greater responsibility and autonomy, and therefore more reason for people to get involved on a voluntary basis.

- Be a simple, streamlined and efficient structure with a relatively small executive Board of 10-14 members. The appointments and administrative processes for this would be simple, while providing strong involvement of the two local authorities and an optimum size for decision making.
- Allow more opportunities for business planning in terms of fund-raising, project bids, trading and development of strategic work strands, due to undistracted organisational focus solely on the needs of the AONB.
- Raise the profile of the AONB and public perception of its importance, also with the benefits of being easier to understand, enhancing the ability to raise funds for the AONB and providing a stronger voice for its interests in decision making, especially planning.
- Work effectively alongside the recently established charity for the Shropshire Hills AONB, which has the main purpose of fundraising for the benefit of the AONB.
- Collaborate across the “AONB family” as an exemplar of good practice.

In bringing this together the AONB team and Partnership have recently developed a progressive **vision** for a new Shropshire Hills AONB Conservation Board, as:

An independent partnership

- Involving and inspiring people
- Working for our special landscapes
- Enhancing their natural and cultural assets

Delivering better outcomes for the AONB

A thriving and progressive AONB will support local business, the visitor economy and community health and wellbeing, directly contributing to the Council’s mission “To be an excellent organisation working with partners to protect the vulnerable, create the conditions for economic growth, and support communities to be resilient” (Shropshire Council Corporate Plan 2016/2017).

A number of potential issues to the successful development and operation of new Conservation Board arrangements have been identified and these are described below.

Risk	Mitigation actions
Defra rejects the Business Case and proposals to create a Conservation Board	Advice and input has been sought from Defra throughout the development of the business case. The proposals have been developed and endorsed by the AONB Partnership, a wide group of stakeholders established as the governance body for the AONB. In the event of Defra rejecting the request, alternative delivery models will be considered, including the establishment of an independent charity, and will be subject to the preparation of a fresh business case and approvals.
The Conservation Board is unable to manage	The full transfer of reserves earned over recent years by the AONB Partnership and currently held by Shropshire

<p>cash flow, provide match funding for new projects and manage unforeseen budgetary pressures</p>	<p>Council is proposed. The reserve is needed:</p> <ul style="list-style-type: none"> • To bankroll cash flow as above • To cover potential redundancy liabilities • As a source of match funding for new project bids, which will remain a crucial part of the business model. <p>A cash flow modelling exercise has been carried out for the first two years of AONB independence. A maximum temporary cash flow deficit of around £50k is forecast, which would need to be covered by working capital from the AONB reserves.</p>
<p>The Conservation Board folds with resulting potential financial and legal risks to local authorities</p>	<p>A business case, including a budget and cash flow projection for independence, has been developed and is included within Appendix 1. Contributions from Defra and the local authorities have been confirmed to the end of 2019/20 and this provides certainty over the majority of required income for the first two years of independence. The Conservation Board approach provides the opportunity to supplement Defra funding after the end of their four year funding commitment by providing greater flexibility to develop traded services, and to apply for grants and contracts.</p> <p>Although a financial contribution towards the Conservation Board by the Council is voluntary the Council needs to fulfil its ongoing responsibilities to the AONB and therefore it is expected that the Council will continue to contribute, although the amount could potentially alter.</p> <p>The forecast income and expenditure identifies a number of different scenarios with respect to the creation of a balanced budget, although in practice these are not mutually exclusive.</p> <p>The use of the substantial reserves built up in recent years have been identified to bank roll cash flow, cover potential redundancy and pension strain, and a source of match funding for new project bids.</p> <p>Ultimately the dissolution of the Conservation Board would be subject to a parliamentary process. As a legal body entirely independent of the Council, the Council would not have any legal responsibility for any potential liabilities.</p>
<p>Erosion of local authority “influence” on the preparation and delivery of the AONB Management plan</p>	<p>In pursuing its purposes, a Conservation Board is required to cooperate with constituent local authorities and public bodies whose functions include the promotion of economic or social development within the AONB. Shropshire and Telford & Wrekin Councils, under the terms of the establishment of the Board, will provide a minimum of 40% appointments to the Board. Furthermore, it is proposed that confirmation of new AONB Management Plans produced by the Board would</p>

	<p>benefit from Cabinet endorsement.</p> <p>The Council will continue to have a general duty to have regard to the purpose of conserving and enhancing the natural beauty of the AONB when exercising or performing any functions affecting land in the AONB.</p>
<p>Loss of focus and reduced delivery capacity of AONB team during the estimated two-year transition period</p>	<p>Existing contract awards (currently held by Shropshire Council) will continue to be delivered and prioritised by the AONB team.</p> <p>A detailed transition plan will be developed with the full participation of all relevant Council services.</p> <p>An allowance has been made within the budget for some transition costs and potential external support, and an application is being made to the recently launched Heritage Lottery Fund's Resilient Heritage Fund.</p>

In summary the Conservation Board is a legally robust established bespoke mechanism for the delivery of statutory AONB functions, notably the development and delivery of a Management Plan, outside the local authority. In the unlikely event of the Conservation Board being “wound up” statutory responsibilities will revert to the local authorities. It is noteworthy that any amendments to the Establishment Order will require Secretary of State approval; an Establishment Order will, therefore, need to be carefully considered before formal confirmation.

The proposals are not expected to have any negative implications with respect to the Councils’ statutory duties under the Equality Act 2010 and section 149 of the Public Sector Equality Duty. An Equality and Social Inclusion Impact Assessment will be prepared as part of subsequent due diligence work.

2.0 Current legal obligations created by the AONB

An Area of Outstanding Natural Beauty is a formal legal designation enabled originally by the National Parks and Access to the Countryside Act 1949 for the principal purpose of conserving and enhancing the natural beauty of the designated area. This Act also gives local authorities, Shropshire Council and Telford Wrekin Council in this case, a power to take action to conserve and enhance the natural beauty in the AONB. AONBs are from the same legislative fold as National Parks and share some similarities, as well as differences in organisation and levels of funding.

The Countryside & Rights of Way Act 2000 places in addition a statutory duty with regard to the AONB Management Plan on local authorities. S89(2) 2 of the Act states that “the relevant local authority in respect of an area of outstanding natural beauty shall... prepare and publish a plan which formulates their policy for the management of the area of outstanding natural beauty and for the carrying out of their functions in relation to it.” There is also a requirement to ‘act jointly’ in preparing the Management Plan, and the two local authorities for the Shropshire Hills AONB have formally agreed that the AONB Partnership would lead the preparation of the Management Plan on their behalf with the involvement of a range of local authority members and officers. On completion, the formal approval of the Management Plan is currently made by the local authorities themselves.

S85 of the Act also places on relevant authorities a general duty to have regard to the purpose of conserving and enhancing the natural beauty of the AONB when exercising or performing any functions affecting land in the AONB. “Relevant authorities” are any public bodies including local and statutory authorities, parish councils and statutory regulators.

3.0 Conservation Board status implications

Conservation Boards are a structure specifically created for AONBs by sections of the Countryside and Rights of Way Act 2000.

AONB Conservation Boards are legally incorporated bodies responsible for pursuing the purposes of the AONB, the production and overseeing delivery of the AONB Management Plan, and for employing staff and holding money directly. The main legal implication of the proposed new arrangements is that a Conservation Board, under detailed provisions in the Countryside and Rights of Way Act 2000, takes on fully the current responsibility of the two Councils to prepare and review an AONB Management Plan.

A Conservation Board, while retaining the main purpose to conserve and enhance natural beauty, takes on a second statutory purpose to increase the understanding and enjoyment by the public of the AONB’s special qualities. In pursuing its purposes, a Board is also required to seek to foster the economic and social wellbeing of the AONB’s local communities. In so doing, a Board should co-operate with constituent local authorities and public bodies whose functions include the promotion of economic or social development within the AONB.

Section 86(3) of the Act allows the Secretary of State where it is considered expedient to provide for the transfer of the functions of a local authority as it relates to the AONB to be delegated or shared with the AONB Conservation Board. The Establishment Orders for the two existing Conservation Boards included a range of powers from various countryside-related legislation to become ‘concurrent functions’, i.e. exercisable by the local authorities and by the Board. Detailed advice is being sought regarding these and it may be desirable to include some of them in the Shropshire Hills AONB Conservation Board Establishment Order, since this will need to cover potential long term scenarios.

Within the Conservation Board model the Councils would retain the legal duty applicable to all public bodies to ‘have regard to the purposes of AONBs in carrying out their functions’ (Section 85, Countryside & Rights of Way Act 2000).

Defra guidance sets down categories for the membership of the Board – 40% from constituent local authorities, 20% from parish councils, and 40% appointed by the Secretary of State.

The creation of a Conservation Board is achieved through a Statutory Instrument laid before both Houses of Parliament. This process is led by Defra, who also provide the main AONB funding. Following agreement of both Councils to the Business Case, the two Councils must write jointly to Defra to formally request them to initiate the process for the creation of a Conservation Board.

The process for the creation of a Conservation Board is set out in Defra guidance of 2008 and requires informal and formal consultation, and this is mainly carried out at a national level (see section 8.0).

Guidance on the establishment and operation of Conservation Boards and on the responsibilities of their members can be viewed at:

<https://www.gov.uk/government/publications/areas-of-outstanding-natural-beauty-aonbs-conservation-boards-departmental-guidance>

Further information on legal considerations and the statutory process for the establishment of a Conservation Board including the requirements for both informal and formal consultation are set out in section 11 of the Business Case.

4.0 Financial implications

Financial pressures led Shropshire Council in spring 2016 to seek a reduction in its net annual cash contribution to the AONB Partnership on the back of proposals to manage the AONB team within a new integrated Landscape, Health and Economy team within the wider Outdoor Partnerships service. Following a formal consultation with potentially affected staff and significant representations from the AONB Partnership and its members, agreement in principle was reached in April 2016 on an alternative proposal:

- To develop new independent delivery arrangements for the AONB team outside the Council within a new external organisational structure,
- To confirm a savings plan to the Council within the context of a review of the AONB budget both before and after externalisation.

Shropshire Council's support for the establishment of a Conservation Board has enabled £31,290 savings to be made to the Council in 2016/17. This is equivalent to the cost of the internal support services currently provided to the AONB by the Council*. The net cash contribution to the AONB will rise upon AONB independence as shown below, but is still significantly lower than the current level. Therefore, a net ongoing base budget saving to the Council of £15,830 will be achieved between 2015/16 and 2018/19 through the Council's commitment to the establishment of a Conservation Board.

Shropshire Council Cash Contribution to AONB	2015/16	2016/17	2017/18	2018/19
Shropshire Council Grant to AONB	£40,830	£40,830	£40,830	£25,000
AONB Contribution to Shropshire Council Support Services Costs		-£31,290	-£31,290	
Net Shropshire Council Cash Contribution to AONB	£40,830	£9,540	£9,540	£25,000

*Shropshire Council provides £31,290 "non-controllable" support services to the AONB at present. Going forward it is likely that the Conservation Board will seek to procure these services from the external market. Although this will not result in a cash saving to the Council, part of the support services provided is made up of staff time (HR, Legal, Finance etc.) and this time will be able to be redirected towards the Council's remaining core services in the future.

A four-year budget and cash flow projection is included as Appendix 4 of the Business Case and described within section 10 of this report. The forecast income and expenditure budget assumes that externalisation will take place from 2018/19 onwards. Some key points are summarised below:

- Funding for the AONB team is received from Defra and the two local authorities, along with project funding and earned income from many sources.

- Defra, who provide the major funding, have committed funding within a four-year agreement to the end of 2019/20. Following the establishment of a Conservation Board funding from Defra will be received quarterly in advance in accordance with Defra protocol.
- The Shropshire Council contribution has been confirmed at its current levels during the transition period, dropping to £25,000 pa following the establishment of the Conservation Board. Telford & Wrekin Council have confirmed their funding support at the current level.
- The AONB Partnership will pay the full costs of the Council's support services during the two transition years; beyond this it is envisaged that the Conservation Board model will be to purchase support costs at a reduced price.
- The Conservation Board will be a 'Scheduled Body' providing full access to the Local Government Pension Scheme both to existing employees and to future employees. A 19.9% employers' contribution has been assumed, although this will be subject to an actuarial assessment.
- Ongoing accommodation and associated rental and property payments to the Council with respect to Drovers House are identified. However, it should be noted that consequent to a previous agreement made by the Council these costs are currently partially offset by the Council on a declining sliding scale.
- One off costs in support of the establishment of the Board have been identified and are included within expenditure projections.

The use of the substantial reserves built up in recent years is critical to bank roll cash flow, cover potential redundancy and pension strain, and as a source of match funding for new project bids.

The AONB budget currently projects a deficit for both the transition years and post externalisation. However, based on successful work by the AONB team in recent years, three options for managing this are proposed: (a) Further income generation; (b) fee earning income and the development of new income generating projects; and (c) a reduction in the staffing compliment to match available income. In practice these approaches are not mutually exclusive.

5.0 Staffing implications

The team currently comprises 13 staff (10.6FTE), with 7 (6.4 FTE) based at Craven Arms, and 6 (4.2 FTE) based at Chirbury in a semi-independent team for the Stiperstones and Corndon Hill Country Landscape Partnership Scheme (HLF funded to March 2018).

Under the proposed new arrangements, the employees of the AONB team, and their terms and conditions and pensions, will transfer to the new Conservation Board structure.

The Stiperstones and Corndon Landscape Partnership Scheme will terminate at or before the new body comes into operation, so there is unlikely to be any requirement to novate this contract or to transfer these staff.

Staff are fully aware of the proposal to create a Conservation Board and have been involved in discussion of options and the development of the proposal. Formal TUPE consultations with staff will follow once detailed proposals are confirmed.

6.0 Assets

It is anticipated that the Council will transfer minimal physical assets to the Conservation Board, limited to:

- Office furnishings and related equipment
- Display equipment
- Tools
- Laptops and related computer equipment

A detailed inventory will be prepared prior to transfer.

Intellectual property rights in the AONB logos will also be transferred to the Conservation Board, along with all digital data and paper files relating to the AONB currently held by the AONB team.

Currently, and working on the basis of an April 2018 start date, only the WREN contract for the River Clun Recovery Project will require to be novated or transferred to the Conservation Board. Any new externally funded projects that are developed and confirmed in the transition period will also require to be novated or transferred to the Conservation Board.

As highlighted elsewhere it is proposed to transfer the service reserves that have been accrued by income earning activity of the AONB team to the Conservation Board in full. These currently stand at £177,174.

7.0 Accommodation

The Shropshire Hills AONB Partnership currently rents office space from Shropshire Council within Drovers House in Craven Arms. In addition to rented office space, Drovers House provides a number of retail units on the ground floor and a long term lease to the Shropshire Housing Group for a number of flats. Opportunities for the future transfer of all or some of Drovers House to the AONB organisation within the context of the development of a long term sustainable business model do not form part of the business case, but will be kept under review.

8.0 Background

8.1 The Shropshire Hills AONB

The AONB designation enhances the natural environment of the local authority, contributes to its overall attractiveness, supports the local business and visitor economy and support community health and wellbeing. The impact of a landscape scale designation like an AONB is considerably wider than the physical land which it covers in terms of visual and landscape impacts and benefits to local businesses, visitor economy and health and wellbeing.

8.2 Existing governance arrangements

The current governance arrangement for the AONB is a 'Joint Advisory Committee' to Shropshire and Telford & Wrekin Councils, known as the Shropshire Hills AONB Partnership, which is supported by the AONB Partnership team, hosted by Shropshire Council as the accountable body.

The Partnership has an independent Chair and representation from many organisations with remits relevant to the AONB, as well as Parish & Town Council

representatives, and individual members. This broad engagement is key to successful delivery.

8.3 Shropshire Hills AONB Trust

In July 2016 following several years of research and development work, a new Charitable Incorporated Organisation (CIO) for the AONB, the Shropshire Hills AONB Trust, was registered with the Charity Commission. This has a majority of trustees appointed from outside the AONB Partnership and is independent of the Partnership in governance terms. Its charitable objects however relate entirely to AONB purposes, and it is intended to provide a complementary structure to the main AONB governance organisation, as an effective mechanism for fundraising to benefit the AONB. It is expected to give grants directly to projects in the community, and will work collaboratively with the AONB Partnership (or Conservation Board in due course), which it may also benefit financially according to the trustees' discretion and its charitable objects.

8.4 The AONB Management Plan

The AONB Management Plan is a statutory document which the local authorities are required to produce jointly, and aims to influence and guide organisations and individuals on a wide range of topics. The Management Plan is reviewed every five years, and the Management Plan for 2014-19 was approved in February and March 2014 by Shropshire Council and Telford & Wrekin Council. The Management Plan has the following key delivery priorities for 2014-19:

- Joining up the conservation effort
- Valuing the AONB in planning and decisions
- Supporting a sustainable land management economy
- Supporting enjoyment and a visitor economy in harmony with the AONB
- Raising awareness and participation, especially among young people
- Local working with communities.

8.5 Options Appraisal

An options appraisal was first carried out in 2012, following earlier work by the AONB Partnership in 2010. This formed the basis of detailed options papers taken to the AONB Partnership and its Management Board in the spring of 2016. The options considered in detail were:

1. Retain hosting arrangement but develop linked structures to optimise broader sources of income including charitable, other grants, and trading
2. An independent body for the AONB using a 'generic' model in the form of a Trust, charity or company
3. AONB Conservation Board
4. Transfer hosting arrangement to a different organisation

A summary appraisal of the pros and cons in support of each of these options is provided within Appendix 2 of the Business Case (**appendix 1**).

This work concluded that a **Conservation Board** was the preferred model. Subsequently the AONB Partnership Board at its meeting on the 14th June 2016 endorsed the Conservation Board as the preferred model for an independent structure, and supported a formal request to Defra by the two Councils and the AONB Partnership to initiate the process of creating a Conservation Board for the Shropshire Hills AONB.

The relative strengths and weaknesses of the Conservation Board model are summarised within the SWOT analysis below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Statutory status of AONB designation and Conservation Board • Part of a strong national AONB family through the National Association for AONBs • Strong local support for an independent body solely focussed on the needs of the AONB 	<ul style="list-style-type: none"> • Conservation Boards pay VAT on some expenditure • Inability to reclaim 'full cost recovery' from some project funders (as with local authorities)
Opportunities	Threats
<ul style="list-style-type: none"> • Tapping into the capacity and skills of Board members • Working alongside the new Shropshire Hills AONB Trust charity (CIO) • Potential for enhanced commercial activity • Ability to survive at a range of scales of operation, depending on levels of funding • Possibility of holding property as an asset, e.g. offices 	<ul style="list-style-type: none"> • Process to create Conservation Board dependent on Defra agreement and capacity • Need to manage cash flow and reserves effectively

There are currently two AONB Conservation Boards, in the Cotswolds and the Chilterns, both established in 2004. Both are large and administratively complex, mainly due to a large number of local authorities (15 and 13 respectively). Although these models are a useful guide it is anticipated that the Shropshire Hills AONB could manage a significantly smaller more stream lined structure.

An independent charity may be another possible structure but is more difficult in relation to arrangements for the statutory duty of the local authorities for the AONB Management Plan. The option of an alternative host body is not ruled out altogether, but is not preferred at this stage.

9.0 Consultation and engagement

The scoping work on the consideration of different options, the confirmation of the preferred approach and the development of a new vision for the Conservation Board has been carried out by the broad membership of the AONB Partnership and the AONB team.

Members for both Shropshire and Telford and Wrekin Councils have contributed to discussions via the AONB Partnership group itself and the Management Board (now the Transition Board) and support the proposals.

Specific input from Defra, Natural England and the National Association of AONBs have also been obtained and will remain important to the successful implementation of the proposals.

The process for creating a Conservation Board as set out in Defra guidance of 2008 requires informal and formal consultation. The first consultation undertaken by Defra will be an informal consultation encompassing a wider range of stakeholders including Natural England, the constituent local authorities, parishes, and any

interested parties such as the National Farmers Union, the Country Land and Business Association, local wildlife trusts and relevant community groups, depending on circumstances. Following the informal consultation Defra will consider these responses and use them to decide whether to proceed with drafting an Establishment Order. Following consideration by Defra and before the establishment order is confirmed a formal consultation will be carried out with Natural England and both local authorities only.

Independent of the above and following approvals by the respective Councils the AONB Partnership plans to raise awareness of the proposals under the strap line “A better future for the Shropshire Hills...with your help” and to involve and engage with interested communities and individuals in planning the way ahead for the new body, its priorities and activities.

10.0 Next steps

Defra advises that because of the procedures for the establishment of a board the establishment process is likely to take at least 12-18 months from the request to the Secretary of State. In practice, and in the light of work generated by Brexit, this may take up to two years.

Key milestones and an indicative timescale are set out below:

13 Oct 2016	Business Case to Telford & Wrekin Council Cabinet
19 Oct 2016	Business Case to Shropshire Council Cabinet
Oct/Nov 2016	Stakeholder engagement by AONB Partnership
November 2016	Joint formal request by Councils with the AONB Partnership to Defra to initiate creation of Conservation Board
2017	Informal consultation and decision by Defra whether to proceed
2017/18	Drafting of legal order by Defra and formal consultation with local authorities and agencies
2017/18	Due Diligence, e.g. regarding staff, funding, etc.
2017	Report to Shropshire Council Cabinet on detailed proposals
2018	Establishment Order undergoes parliamentary process including passage through Houses of Commons and Lords
2018	Confirmation of Establishment Order by Secretary of State and appointments to Board (Defra)
2018	Establishment of banking and finance arrangements
2018 (to be confirmed)	‘Establishment Day’ of Conservation Board and ‘Operative Day’ for completion of all transfer arrangements

A Transition Board has been established to progress detailed work. This includes representatives of both Councils, as well as other members elected from the AONB Partnership, and up to three additional co-opted members.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Shropshire Hills AONB Management Plan 2014-19

Cabinet Member:

Cllr Stuart West, Portfolio Holder for Leisure, Libraries and Culture

Local Members:

Lee Chapman
Cecilia Motley
Tudor Bebb
Robert Tindall
Roger Evans
Richard Huffer
Nigel Hartin
Madge Shingleton
David Evans
Claire Wild
David Turner
Heather Kidd
Jonny Keeley
Tim Barker
Gwilym Butler
Andy Boddington

Appendices:

Appendix 1: Shropshire Hills AONB Partnership proposal for transferring out of Shropshire Council hosting and forming a 'Conservation Board, 'the Business Case'

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Shropshire Hills AONB Partnership proposal for transferring out of Shropshire Council hosting and forming a 'Conservation Board'

BUSINESS CASE

07.10.16

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Appendix 1 - Proposed AONB structure

Appendix 2 - Options Appraisal

Appendix 3 - Risk Register

Appendix 4 - Financial Information – Expenditure & income, cash flow forecast

1. Introduction and background

This document sets out a business case for the creation of an independent 'Conservation Board' as the future governance and operating structure of the Shropshire Hills Area of Outstanding Natural Beauty (AONB).

Alternative options for governance and operating structures were first considered in detail by the AONB Partnership in 2012, resulting in work towards the establishment of a linked charity, and agreement to remain under Shropshire Council hosting arrangements. However, financial pressures led Shropshire Council in spring 2016 to seek a substantial reduction in its net annual cash contribution to the AONB Partnership on the back of proposals to manage the AONB team within a new integrated Landscape, Health and Economy team within the wider Outdoor Partnerships service. Following a formal consultation with potentially affected staff and significant representations from the AONB Partnership and its members, agreement in principle was reached in April 2016 on an alternative proposal:

- to develop new independent delivery arrangements for the AONB team outside the Council within a new external organisational structure,
- to confirm a savings plan to Shropshire Council within the context of a review of the AONB budget both before and after externalisation.

2. Executive Summary

In 2018 the Shropshire Hills AONB designation will be 60 years old. The primary purpose of conserving and enhancing natural beauty is as important now as it was in 1958, and delivers a wide range of environmental, economic and social benefits. The Shropshire Hills is a relatively large AONB, governed by a strong Partnership and supported by an active staff team with a good track record. There is a strong foundation on which to build future development. However, the context of continued structural change in the host local authority and the broader working environment has led partners to agree that the long term interests of the AONB are now best served by creation of an independent AONB body. A modern, lean application of the '**Conservation Board**' model enabled by the Countryside and Rights of Way Act 2000 will provide the **strongest organisation possible for the long term future of the AONB**. Our Vision for a Conservation Board is:

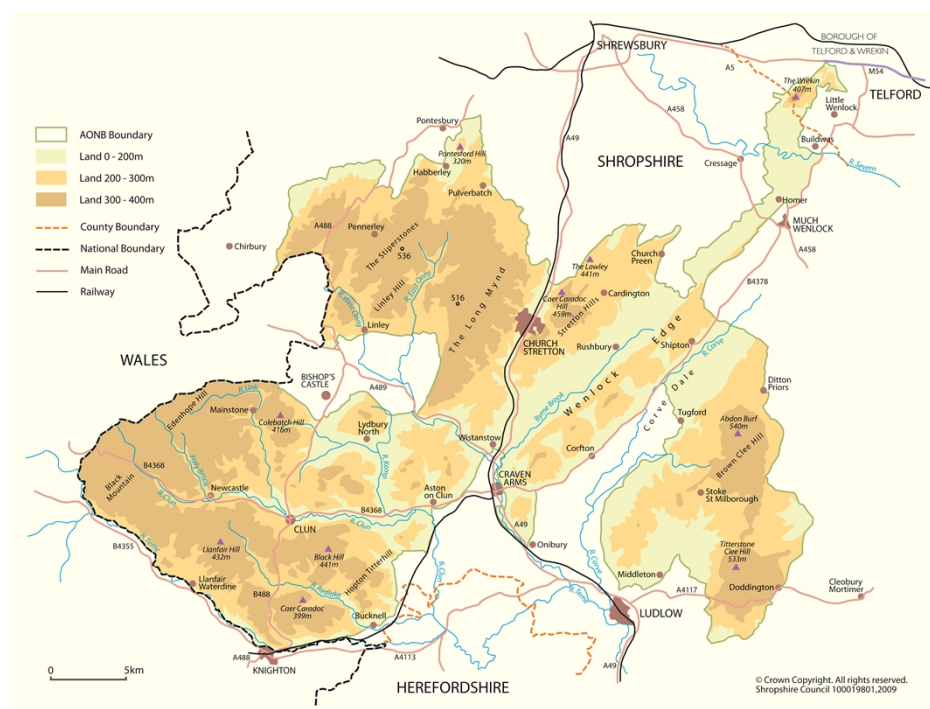
An independent partnership

- **Involving and inspiring people**
- **Working for our special landscapes**
- **Enhancing their natural and cultural assets**

Delivering better outcomes for the AONB

Since the AONB Partnership is now paying Shropshire Council for 'support services' previously provided without charge, moving to an independent Conservation Board will actually **reduce overall costs**. The Board structure also has the significant advantages of **unequivocal focus on the needs of the AONB, ability to harness volunteer effort** from Board level to on the ground practical work, and **enhanced ability to fund-raise**, working with a newly established AONB charity.

A diagram of the proposed AONB structure is shown at **Appendix 1**.



Map of
Shropshire
Hills



3. Legal basis and functions of the AONB organisation

AONBs legal framework: Area of Outstanding Natural Beauty is a legal designation enabled originally by the National Parks and Access to the Countryside Act 1949 for the principal purpose of conserving and enhancing the natural beauty of the designated area. This Act also gives local authorities, Shropshire Council and Telford Wrekin Council in this case, a power to take action to conserve and enhance the natural beauty in the AONB.

The Countryside & Rights of Way Act 2000 places in addition a statutory duty with regard to the AONB Management Plan on local authorities. S89(2) 2 of the Act states that *"the relevant local authority in respect of an area of outstanding natural beauty shall... prepare and publish a plan which formulates their policy for the management of the area of outstanding natural beauty and for the carrying out of their functions in relation to it."* There is also a requirement to 'act jointly' in preparing the Management Plan, and the two local authorities for the Shropshire Hills AONB have formally agreed that the AONB Partnership would lead the preparation of the Plan on their behalf with the involvement of a range of local authority members and officers. On completion, the Management Plan is currently formally approved by both relevant local authorities.

S85 of the Act also places on relevant authorities a general duty to have regard to the purpose of conserving and enhancing the natural beauty of the AONB when exercising or performing any functions affecting land in the AONB. "Relevant authorities" are any public bodies including local and statutory authorities, parish councils and statutory regulators.

There are 46 AONBs in the UK, operating in a strong national network through the National Association for AONBs, a charitable company which lobbies on behalf of AONBs and works to support their effectiveness. AONBs in Wales come under the same legislation but a

different management arrangement through the Welsh Government, while those in Northern Ireland have a different, and less strong legal basis.

Current governance: The current governance arrangement for the AONB is a 'Joint Advisory Committee' to Shropshire and Telford & Wrekin Councils, known as the Shropshire Hills AONB Partnership, which is supported by the AONB Partnership staff team, hosted by Shropshire Council as the accountable body. Funding for the Partnership team and operation is received from Defra and the two local authorities, along with project funding and earned income from many sources. This is the most common governance structure among English AONBs.

The Shropshire Hills AONB Partnership has defined its main roles as to:

- Take and co-ordinate action to conserve and enhance natural beauty; promote enjoyment and understanding, and further sustainable development.
- Develop policy and strategy for the area through the AONB Management Plan, and influence the policies and strategies of others.
- Develop the AONB Partnership as an inclusive and effective organisation.
- Support the involvement of the community in the management of the AONB.

The Partnership has an independent Chair and representation of many organisations with remits relevant to the AONB, as well as Parish & Town Council representatives, and individual members. This broad engagement is key to successful delivery. The AONB Team seeks to concentrate their work in areas which complement or add value to the work of others, and avoid duplication. The AONB Partnership does not own or directly manage any land.

In July 2016 following several years of research and development work by the AONB Partnership, a new Charitable Incorporated Organisation (CIO) for the AONB, the Shropshire Hills AONB Trust, was registered with the Charity Commission. This has a majority of trustees appointed from outside the AONB Partnership and is independent of the Partnership in governance terms. Its charitable objects, however, relate entirely to AONB purposes, and it is intended to provide a complementary structure to the main AONB governance organisation, as an effective mechanism for fundraising to benefit the AONB. It is expected to give grants directly to projects in the community, and will work collaboratively with the AONB Partnership (or Conservation Board in due course), which it may also benefit or support financially, according to the trustees' discretion and the Trust's charitable objects.

4. The changing operating environment

AONBs are a statutory designation with a long history, and the organisations associated with them have developed as effective delivery mechanisms over about 25 years. The continued importance of AONBs has been underlined by the relative protection of their funding by Defra in recent years, along with high levels of ministerial support. The typical model of local authority hosting has, however, come increasingly under strain in a number of AONBs as Councils have had to adopt more radical budget savings and restructuring. In Shropshire a high proportion of a relatively large AONB sits within the area of one unitary authority, Shropshire Council, making the AONB structure potentially more vulnerable to decisions taken by one Council.

Shropshire Council has pursued radical change in service delivery in recent years along with significant budget cuts, including commissioning of services to various external bodies. The details of the hosting arrangement of the AONB Partnership have varied over time with several different departments. While there are very valuable synergies for the AONB team with a broad range of Council departments, a close fit with one particular department is often difficult. While Shropshire Council (and the County Council before it) has provided an effective and valuable hosting role for many years, the scale and speed of its continued organisational changes and funding reductions have become a potential source of future instability for the AONB Partnership.

The Shropshire Hills AONB Partnership is acknowledged nationally as a successful AONB organisation, among the top league in terms of gearing up of Defra and the Councils' funding, with turnover now reaching around £1million. The team's work also has a good reputation locally, e.g. in river habitat and catchment work, local conservation projects, tourism, heritage projects, input into planning, etc. A high priority on partnership working has achieved a broad engagement of people willing to give their time in both governance and practical delivery, though there is undoubtedly a great deal further to go in terms of raising awareness and involving the local population. Successful earning of income and financial management has enabled the securing of a significant financial reserve for the AONB Partnership, held 'ring-fenced' within Shropshire Council finances.

The wider context for the AONB also includes factors such as:

- continued pressure on central and local government funding
- the likelihood of farming subsidies diminishing and being more focused on greening
- future lack of access to EU funding programmes such as LEADER
- growing appreciation of the health value of recreation
- increasing local tourism opportunities and pressures
- greater national appreciation of the need to better manage ecosystems, soil and water
- more interest among businesses in staff development and supporting local causes
- more need to work with other AONBs and National Parks, etc.

AONBs are recognised internationally by the International Union for the Conservation of Nature (IUCN) as 'Category V' protected areas. Some level of international and European links will remain important even after the UK leaves the EU. Wider political change and economic pressure creates an increasingly uncertain environment in which AONBs must operate. The ability to continue to diversify income streams while remaining true to the central AONB purposes is important, while not undermining the important principle of core public funding for the many public benefits provided by AONBs and the work of their teams.

The 'need' for services delivered by the AONB team is defined in the statutory AONB Management Plan, which identifies priorities for the area. These are long term issues, and the need to provide continued proactive conservation and management of the AONB landscape is well evidenced. Many other organisations contribute to delivery of the AONB Management Plan, but the team play an important co-ordinating role.

All of the factors described above help to create a platform and a critical mass for the AONB organisation as it contemplates becoming an independent organisation in the future.

5. Outcome requirements for the AONB organisation

The following was agreed by the AONB Partnership Management Board on 11th May 2016 as the key requirements of a new organisation:

- The structure should provide a secure, long term vehicle for delivery of AONB functions, including employment of the staff team.
- The new structure needs to be efficient and cost effective operationally, and have a good ability to fund-raise from a wide variety of sources. Ideally the new structure needs to be capable of borrowing to meet short term cash flow shortfalls.
- The structure must be capable of receiving the AONB funding from Defra (or its successor if Government departments change) and to be directly accountable to Defra for it.
- A relatively simple to understand structure, alongside strong branding, will aid the organisation in public understanding, which is quite a significant issue, and also enhances fundraising ability.
- The structure should be able to attract and involve a high calibre of board members/trustees with relevant skills as well as time and willingness to take on responsibility. These people need to be appointed through robust processes which provide the skills needed but provide checks and balances against possible personal interests or dominance of a small number of individuals.
- The structure must provide links to the two local authorities, but also be seen to be independent from them. The relationship between the organisation and the local authorities' legal duty for the AONB Management Plan needs to be clear, and to not expose the independent organisation to undue risk.
- The structure needs to be able to champion the interests of the AONB, including in planning consultations (both policy and applications).
- The structure needs to support engagement, collaboration, learning, sharing knowledge etc. with the national AONB family.

6. Options Appraisal and Confirmation of Approach

A detailed options appraisal was first carried out in 2012, following earlier exploratory work by the AONB Partnership in 2010. These formed the basis of detailed options papers taken to the AONB Partnership and its Management Board in the spring of 2016 (see <http://shropshire.gov.uk/committee-services/documents/s11548/3.%20Structure%20alternatives%20with%20appendices.pdf>).

A simplified appraisal in table format of the main options for the future structure of the AONB is provided within **Appendix 2**. The options considered are:

1. Retain hosting arrangement with Shropshire Council but develop linked charity structure to optimise broader sources of income (this is the status quo)

2. Creation of an independent body for the AONB using a 'generic' model in the form of a Trust, charity or company
3. Creation of an AONB Conservation Board
4. Transfer hosting to a different organisation

This work concluded that the creation of a new **Conservation Board** was the preferred model. Subsequently the AONB Partnership Board at its meeting on the 14th June 2016 endorsed the Conservation Board as the preferred model for an independent structure, and supported a formal request to Defra by the two Councils and Partnership to initiate the process of creating a Conservation Board for the Shropshire Hills AONB, subject to confirmation of a business case.

Conservation Boards are a structure specifically created for AONBs by sections of the Countryside and Rights of Way Act 2000. There are only two AONB Conservation Boards, in the Cotswolds and the Chilterns, both established in 2004.

An independent charity may be another possible structure, but is unproven for AONB governance in England and likely to be more difficult in relation to arrangements for the statutory duty for the AONB Management Plan, which would remain with the local authorities. The option of an alternative host body is not ruled out altogether, but is not preferred at this stage.

AONB Conservation Boards are established by a Statutory Instrument. They are legally incorporated bodies and employ staff and hold finances and assets directly. They also take on the statutory role of the AONB Management Plan from the local authorities, and can take on other local authority functions 'concurrently' (see section 10 below).

7. The Vision

The following vision for a new progressive Shropshire Hills AONB Conservation Board was developed in a workshop between the Transition Board and the AONB team, and through further discussion by the AONB Partnership on 8th September 2016:

An independent partnership

- **Involving and inspiring people**
- **Working for our special landscapes**
- **Enhancing their natural and cultural assets**

Delivering better outcomes for the AONB

Alongside the development of a new vision the most important areas of work currently undertaken by the AONB Partnership for the Conservation Board to build upon as have been identified as:

- 'Enabling' role – providing support and coordination, delivering in partnership
- Acting as a 'focus' for the area, and a champion for the Shropshire Hills AONB
- Education, engagement and understanding through the landscape and the work undertaken

- Work in support of 'why nature matters to people' (i.e. ecosystem services)

8. The case for a Conservation Board

New governance arrangements independent of Shropshire Council in the form of a Conservation Board for the Shropshire Hills AONB would:

- Be a **relevant, progressive and locally determined model**, strongly supported by both Councils, as well as partner organisations and stakeholders within the AONB, and offering much **better long term stability**.
- Provide a **strong, independent structure with an unequivocal focus on the AONB**. A Conservation Board exists solely to support AONB purposes and is not vulnerable to other priorities of a larger organisation.
- **Build on the existing strong engagement** of partner organisations and individuals, and indeed energise this through providing greater responsibility and autonomy, and therefore **more reason for people to get involved** on a voluntary basis.
- **Reduce costs overall**, through the ability to procure support services more cheaply outside the Council.
- Be a **simple, streamlined and efficient structure** with a relatively small executive Board of 10-14 members. The appointments and administrative processes for this would be simple, while providing strong involvement of the two local authorities and an optimum size for decision making.
- Allow **more secure business planning** in terms of fund-raising, project bids, trading and development of strategic work strands, due to undistracted organisational focus solely on the needs of the AONB.
- Considerably **raise the profile of the AONB** and public perception of its importance, also with the benefits of being easier to understand, **enhancing the ability to raise funds** for the AONB and providing a **stronger voice** for its interests in decision making, especially planning.
- Provide a **long term, secure and appropriate governance solution** for an AONB which is the landscape 'jewel in the crown' for Shropshire and the region, and enable the team to continue to perform at a high level in terms of funding, innovation, co-operation and delivery.
- **Work effectively alongside the recently established charity** for the Shropshire Hills AONB charitable structure, which has the main purpose of fundraising for the benefit of the AONB.
- Be better able to **collaborate across the AONB Family**, due to lack of competing demands from a host organisation with its main priorities outside the AONB area and remit.

The Conservation Board model is designed specifically for AONBs, and is a proven model for the application of Defra AONB funding. A Conservation Board brings together the statutory AONB Management Plan duty, the AONB team and the overall governance structure in a single legal entity, in a way that no other available option does. The structure provides for a balance of representation of national importance of the AONB as well as local authorities and other local interests. Though still not a statutory consultee in planning, a Conservation

Board ensures avoidance of conflicted positions in relation to a host authority especially regarding involvement in planning consultations.

As with any independent structure, support functions such as HR and payroll, IT, etc would have to be bought in. However, since Shropshire Council is now charging in full for these functions, an independent body is likely to be able to achieve an overall cost saving by procuring these services more economically. Conservation Boards do have to pay VAT on relevant expenditure, though this is a small proportion of the overall budget and does not prevent an overall net saving. The overall lead in time for the establishment of a Conservation Board is considerable, and may be under additional pressure given the additional current work for government following the referendum vote to leave the EU. In relation to the significant long term benefits however, this should not be a deciding factor.

9. Risk Assessment

The relative strengths and weaknesses of the Conservation Board model are summarised within the SWOT analysis below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Statutory status of AONB designation and Conservation Board • Part of a strong national AONB family through the National Association for AONBs • Strong local support for an independent body solely focussed on the needs of the AONB 	<ul style="list-style-type: none"> • Conservation Boards pay VAT on some expenditure • Inability to reclaim 'full cost recovery' from some project funders (as with local authorities)
Opportunities	Threats
<ul style="list-style-type: none"> • Tapping into capacity and skills of Board members • Working alongside the new 'Shropshire Hills AONB Trust' charity (CIO) • Potential for enhanced commercial activity • Ability to survive at a range of scales of operation, depending on levels of funding • Possibility of holding property as an asset, e.g. offices 	<ul style="list-style-type: none"> • Process to create Conservation Board is dependent on Defra agreement and capacity • Need to manage cash flow and reserves effectively

Potential risks associated with pursuing the Conservation Board model, and actions to mitigate these, are described in more detail in **Appendix 3**.

10. Summary of projected budget position

Detailed projections of AONB income and expenditure, cash flow and reserve balances for 2016-17 through to 2019-20 are included within **Appendix 4**, and are accompanied by the notes below.

a) Background

The Income and Expenditure forecast shows the financial position for the AONB for 2016-17 and 2017-18 operating as hosted within Shropshire Council, and 2018-19 and 2019-20 as an independent body. The Income and Expenditure forecast includes the costs and income relating to all AONB activities, including the project activity that is carried out, as described below.

There are three main funding contracts in place:

- Annual contract with Defra for AONB funding, currently £186,416 pa. Defra have made a four year grant offer, to 2019-20.
- Five year £2.1m contract 2013-18 with Heritage Lottery Fund (HLF) for the Stiperstones and Corndon Hill Country Landscape Partnership Scheme
- Four year £216k contract with WREN (a Landfill Tax fund) for the River Clun Recovery Project, ending March 2019.

The DEFRA grant part funds core operations of the AONB (The Defra grant is a single pot, which can be used for projects, but currently is required to fund the core costs), whereas the HLF and WREN grants fund the Stiperstones and Corndon Hill Landscape Partnership Scheme (expenditure of approximately £600k per annum) and River Clun Recovery Project (expenditure of approximately £80k per annum) respectively. Although the full income and expenditure of these projects is included within the forecast Income and Expenditure statement within **appendix 4**, these projects operate with more or less stand-alone budgets, with their own funders and project timescales.

Other minor projects include Shuttle Buses (expenditure of approximately £22k per annum), and the Sustainable Business Network (expenditure of approximately £1k per annum).

Some of the hosted projects require (minimal) cash match from the core AONB budget, while others make a small contribution towards core funds.

b) Current Staff Numbers & Costs

The current costs of staff are:

Main AONB team (6.4 FTE) £204k

Stiperstones and Corndon LPS and River Clun Recovery Project (5 FTE) £185k

Total £389k

c) Councils' funding

Both Shropshire and Telford & Wrekin Councils have reduced their budget contributions since 2009. Currently Shropshire Council's annual base budget contribution to the AONB's budget is currently £40,830. A reduced annual contribution of £25,000 has been agreed for 2018-19 and 2019-20 as the expected first two years of operation of an independent body. Telford & Wrekin Council contributes £2,694 annually.

d) 4 Year Income and Expenditure

The projected budget assumes that Conservation Board status will be achieved at April 2018.

Projected levels of income and expenditure are similar in 2017-18 to those in 2016-17; however, there is a forecast reduction of more than £100k in both income and expenditure in 2017/18 as the Stiperstones and Corndon Hill LPS Project reaches its conclusion. The closure of this project reduces projected turnover from the current level of approximately £1m to £310k in 2018/19 and the closure of the Rivers Project reduces it further to £249k in 2019/2020. This will increase if new projects come on stream as expected.

Forecast expenditure allows for annual 1% inflationary increases on salaries. Known assumptions for reducing staff hours in two cases are included. Budgets allow for the new independent body to cover costs of support services procured from April 2018 costed at £17,500 pa. The cost of the Conservation Board buying in support services externally is considerably lower than the amount currently paid to Shropshire Council for support services, resulting in **a net saving to the core budget, and therefore enabling a higher proportion of Defra and Council funding to be spent on delivery.**

Planned and known income and expenditure results in a forecast budget deficit in all financial years. To mitigate against this, plans A, B and C have been developed in order to balance the budget and are shown at the bottom of the Income and Expenditure Statement. The strategy as in recent years will be to aim to earn income where possible through e.g. projects, fee earning activity and trading, alongside any savings which can be identified. Opportunities to restructure and make savings will be taken in the event of staff vacancies, and as required in order to balance the budget as per plan C, if further income generation (plans A and B) becomes unachievable. It should be noted that the team has an established track record in securing additional income, so the team are confident in delivering additional income as described in plans A and B.

In all modelled scenarios, the budget relies upon fairly significant contributions from reserves (£20k-£40k per annum) in 2016/17 and 2017/18 in order to obtain a balanced position as new income is established or savings are made, and as one-off set up costs for the independent body are incurred. The contribution required from reserves will, however, be less if plans are achieved as is expected. From 2018/19 forecast contributions to/from reserves are minimal (less than £10k per annum) as income and expenditure become more sustainable.

Achieving a sustainable budget in the medium term that does not rely on a contribution from reserves is crucial for the independent body to remain viable, and therefore decisions to reduce expenditure will be taken as soon as required, should further income fail to materialise as assumed.

e) Cash Flow and use of reserves

The projected cash flow forecasts assume that Conservation Board status will be achieved at April 2018. Any change to this would result in re-profiling of the cash flow.

Failing to achieve Conservation Board status would risk the viability of the independent body, as the cash flow of the organisation will be heavily reliant on the DEFRA grant being

paid quarterly in advance (as per standard practice with Conservation Boards) rather than being claimed and paid significantly in arrears as it is at the moment.

The cash flow modelling exercise has been carried out based on actual spend within 2015-16, as well as assumptions on future payments and receipts following independence. The cash flow has been modelled based on scenarios A, B and C, as above. A maximum temporary cash flow deficit of approximately £50k is predicted in the first year of independence, which would need to be covered by working capital from the AONB reserves. As the independent body becomes more established, the cash flow position is projected to improve, with minimal deficits (£5k) forecast during the second year of independence.

The transfer of reserves earned over recent years by the AONB Partnership and currently held by Shropshire Council (currently £177,174) is required in order for the independent body to be viable. The reserve is needed:

- To bankroll cash flow as above
- To cover potential redundancy and pension strain liabilities, which total £116k for the core staff as at Summer 2016, although the liability will reduce by 2018/19 as the pension strain liability reduces
- As a source of match funding for new project bids, which will remain a crucial part of the business model.

f) Commercial Opportunities

There are a number of commercial opportunities which have been used to some extent to date, and which the team is in a good position to develop further:

- Fee-earning project delivery – this may be within the AONB (preferably), or potentially outside the AONB (at opportunity cost of activity for the AONB). Many projects are developed in partnership with other organisations – activity can be fee earning either when bankrolled by the team itself or sometimes when led by other organisations.
- Consultancy – the team have considerable technical skills and some history of paid work, hitherto on a largely reactive basis rather than promoted.
- Trading – Some income is derived from sale of books, branded merchandise, etc and hire of meeting room facilities.
- Fee earning services – there is a possibility of charging for services such as pre-application planning advice, but this has not been done so far due to capacity issues.

11. Legal considerations

The legal framework for AONBs and the related local authority obligations are described in section 3 above.

a) Legal implications of new structure

The main legal implication of the proposed structure change is that a Conservation Board, under detailed provisions in the Countryside and Rights of Way Act 2000, takes on fully the statutory responsibility of the two Councils to prepare and review an AONB Management

Plan. The two Councils would however still be closely involved in the preparation of the Plan and should be consulted by the AONB Board during the preparation of the plan.

Within the Conservation Board model, the Councils would still retain the legal duty applicable to all public bodies to 'have regard to the purposes of AONBs in carrying out their functions' (Section 85, Countryside & Rights of Way Act 2000). For example, the consideration of the AONB in planning decisions by the Councils as a material consideration in planning applications where appropriate. A Conservation Board is not a statutory consultee with regard to planning matters, but would expect to be consulted on policy and significant applications in the AONB similar to the arrangement currently in place with the AONB Partnership. Good practice would include renewing and updating the Planning Protocol which is in place with the AONB Partnership.

A Conservation Board, while retaining the main purpose to conserve and enhance natural beauty, takes on a second statutory purpose to increase the understanding and enjoyment by the public of the AONB's special qualities. In pursuing its purposes, a Board is also required to seek to foster the economic and social wellbeing of the AONB's local communities. In so doing, a Board should co-operate with constituent local authorities and public bodies whose functions include the promotion of economic or social development within the AONB.

There is provision in the legislation for Conservation Boards to take on additional powers or responsibilities from the local authorities (e.g. countryside management functions). The Establishment Orders for the two existing Conservation Boards included a range of powers from various countryside-related legislation to become 'concurrent functions', i.e. exercisable by the local authorities and by the Board. Any functions delegated to the Board or run concurrently between the local authorities and the Board will be consulted on both informally and formally following the formal notification in writing to Defra. Both local authorities will have the opportunity to submit responses to Defra and provide views on the functions that could either be delegated or run concurrently with the Conservation Board. This could also include views on the financial implications of the Board taking over or delivering these functions concurrently. Although both local authorities are not obliged to provide funding towards these statutory functions both local authorities have a duty of care towards their constituents and therefore it could be expected that local authorities may contribute appropriate levels of funding for these functions to be delivered following discussions with the Board.

However, the decision as to whether any functions would be delegated or delivered concurrently would rest with Defra following consultation with the relevant local authorities and other bodies. Both local authorities would have the opportunity to comment on the final terms of the Establishment Order at the formal consultation stage once Defra have had the opportunity to consider the responses received at the informal consultation stage.

The Conservation Board is a completely independent body so the Councils would bear no responsibility for any debts should the Board have to be wound up.

A memorandum of agreement covering all appropriate considerations should be drawn up between the relevant local authorities and the Board covering funding arrangements.

b) Statutory processes, including consultation

The creation of a Conservation Board is achieved through a Statutory Instrument laid before both Houses of Parliament. This process is led by Defra, who also provide the main AONB funding. Following agreement of both Councils to the Business Case, the two Councils must write formally to Defra, through the AONB Partnership if they wish, to request the government to initiate the creation of a Conservation Board. Informal consultations carried out by the AONB Partnership to date on the formation of a Conservation Board have received support. Subject to Cabinet approval both local authorities are willing to request Defra to start the process for establishing the Conservation Board on the basis of the business case provided to date.

The process for creating a Conservation Board as set out in Defra guidance of 2008 requires informal and formal consultation. The first consultation undertaken by Defra will be an informal consultation encompassing a wider range of stakeholders including Natural England, the constituent local authorities, parishes, and any interested parties such as the National Farmers Union, the Country Land and Business Association, local wildlife trusts and relevant community groups, depending on circumstances. Following the informal consultation Defra will consider these responses and use them to decide whether to proceed with drafting an Establishment Order. Following consideration by Defra and before the establishment order is confirmed a formal consultation will be carried out with Natural England and both local authorities only.

c) Equalities considerations

The proposals are not considered to have any negative implications with respect to the Councils' statutory duties under the Equality Act 2010 and section 149 of the Public Sector Equality Duty. An Equality and Social Inclusion Impact Assessment will be prepared as part of subsequent due diligence work.

d) Legal obligations with contracts

In relation to the Defra AONB funding contract details on the funding to be provided by Defra up to 2019 – 20 are detailed in section 10 of this business case.

The HLF Landscape Partnership Scheme contract is due to end in March 2018 before the Conservation Board would come into existence.

Currently, and working on the basis of an April 2018 start date, only the River Clun Recovery Project will require to be novated or transferred to the Conservation Board. Any new externally funded projects that are developed and confirmed in the future.

12. Staff and other contractual implications

a) Staff

The staff team currently comprises 13 people (10.6FTE), with 7 (6.4 FTE) based at Craven Arms, and 6 (4.2 FTE) based at Chirbury in a semi-independent team for the Stiperstones and Corndon Hill Country Landscape Partnership Scheme (HLF funded to March 2018).

The proposed transition would transfer the employees of the AONB team and its services to the new Conservation Board structure. The Stiperstones and Corndon LPS will terminate at or before the new body comes into operation, so there will be no requirement to novate this contract or transfer these staff. (It is conceivable that extensions to contracts on some of the LPS staff may be achievable through new funding or projects).

Staff are fully aware of the proposal to create a Conservation Board and have been involved in discussion of options and the development of the proposal. Formal TUPE consultations with staff will follow once detailed proposals are confirmed.

Pensions: An AONB Conservation Board is a 'Scheduled Body' in relation to the Local Government Pension Scheme (LGPS), meaning that its staff are entitled to join the LGPS. The transfer of staff to the Conservation Board as a new employer within the Shropshire Pension Scheme would be undertaken as 'fully funded', so that the Board bears no burden for past pension deficits.

b) Assets

i) Summary of Assets & IT systems

The main office at Craven Arms and the LPS office at Chirbury are both rented, and equipped with hard-wired network connected to the Shropshire Council IT system via broadband. All staff now have laptops, and a rented printer/copier is in place at each office.

The offices are furnished and equipped, and there are small amounts of display equipment and tools held, along with a considerable quantity of archive files. A detailed inventory will be prepared.

Intellectual property rights in the AONB logos will also be transferred to the Conservation Board, along with all digital data and paper files relating to the AONB currently held by the AONB team.

ii) Potential Asset Transfer

The main AONB Partnership office at Craven Arms comprises four units in the Shropshire Council owned property Drovers House, which includes a small number of other rented offices and retail units. The possibility has been discussed with the Council about a possible asset transfer involving Drovers House to an independent AONB organisation, as a means of providing it with some ongoing income as well as an asset and security of tenure. The Council does not wish to do this at present, but has not ruled it out as a possibility in the future.

13. Partners

The main stakeholders are:

- The two Councils – Shropshire and Telford & Wrekin.
- Funders – especially Defra, and to a lesser extent WREN.
- AONB Partnership members – The Partnership is the formal governance structure for the AONB and will remain so until a new structure replaces it.

- Delivery partner organisations – e.g. Natural England, National Trust, Shropshire Wildlife Trust. Most of these organisations would not be represented directly on the Conservation Board, so future relationships will be important. Natural England also have a national advisory role to government in relation to AONBs.
- The National Association for AONBs and the AONB family – the transition of structure is of interest to other AONBs as a potential model or example, and there is much that we can continue to learn from them, including the two existing Conservation Boards and two AONB trusts/charitable companies in Northern Ireland.
- AONB membership schemes – including the Friends of the Shropshire Hills AONB and the Shropshire Hills Sustainable Business Network.
- Local partnerships including at the Wrekin, Clun Catchment, Clee Hill and Stiperstones – Corndon.
- Local businesses that depend on the qualities of the AONB.
- Community organisations – including Parish and Town Councils and voluntary organisations.

Engagement Plan and public consultation:

The existing AONB Partnership structures for both meetings (of various groups) and communications (publications, websites, e-newsletter and social media) will provide effective mechanisms to continue to engage with the relevant stakeholders. For more details of the work of the AONB Partnership visit <http://www.shropshirehillsaonb.co.uk/>.

The AONB Partnership processes are very broad in terms of membership and much information has been made publicly available. Further local public consultation will be carried out. So far it is apparent that there is considerable support for the proposal.

14. Timescales and resources

The expected timescale for the creation of a Conservation Board is 12-24 months from the formal request. Key milestones and indicative timescales are:

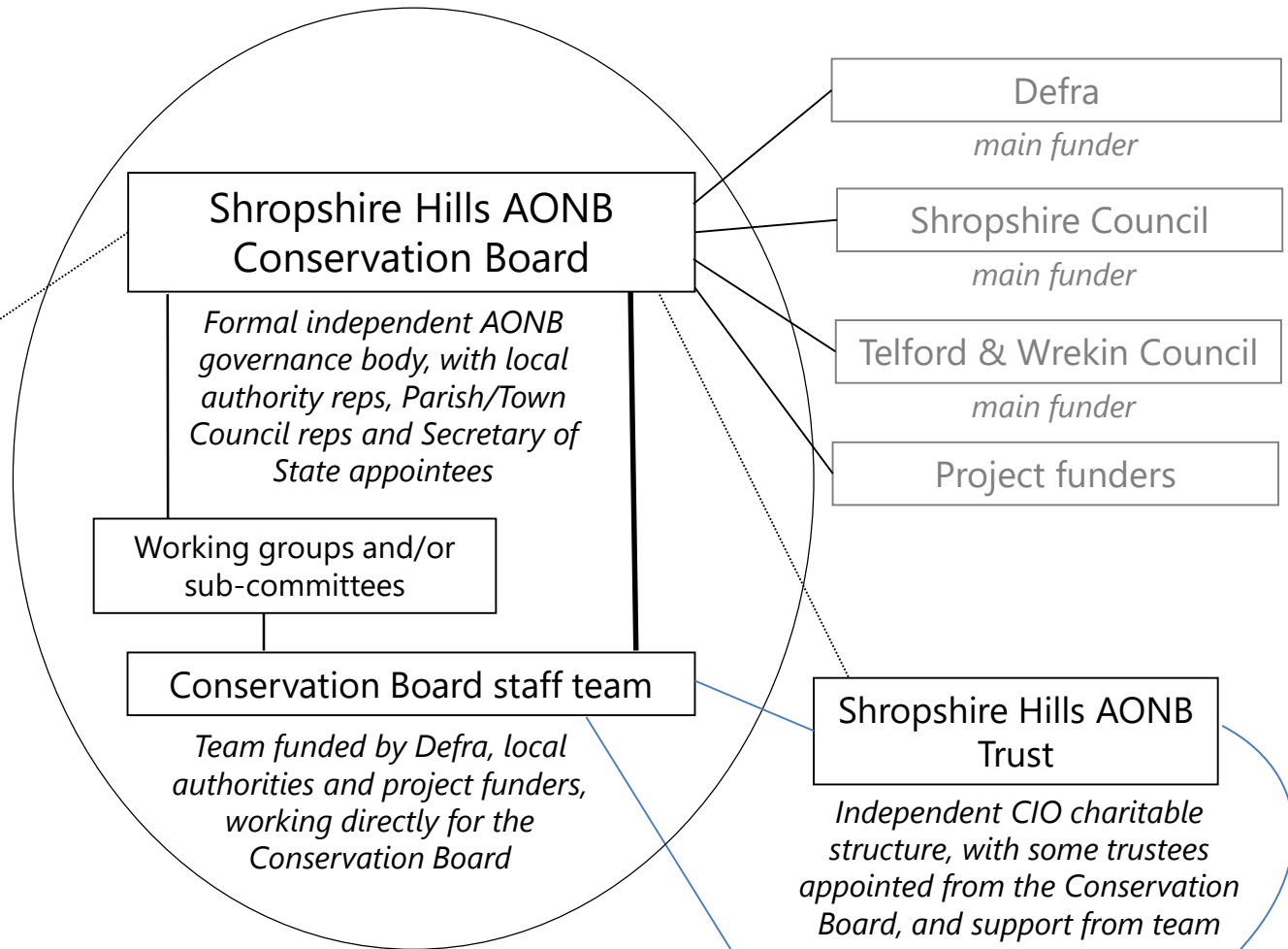
13 Oct 2016	Business Case to Telford & Wrekin Council Cabinet
19 Oct 2016	Business Case to Shropshire Council Cabinet
Oct/Nov 2016	Stakeholder engagement by AONB Partnership
November 2016	Joint formal request by Councils with the AONB Partnership to Defra to initiate creation of Conservation Board
2017	Informal consultation and decision by Defra whether to proceed
2017/18	Drafting of legal order by Defra and formal consultation with local authorities and agencies
2017/18	Due Diligence, e.g. regarding staff, funding, etc.
2017	Report to Shropshire Council Cabinet on detailed proposals
2018	Establishment Order undergoes parliamentary process including passage through Houses of Commons and Lords
2018	Confirmation of Establishment Order by Secretary of State and appointments to Board (Defra)

2018	Establishment of banking and finance arrangements
2018 (to be confirmed)	'Establishment Day' of Conservation Board and 'Operative Day' for completion of all transfer arrangements

A Transition Board has been established including representatives of both Councils, as well as other members elected from the AONB Partnership, and the possibility of additional co-opted members.

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Appendix 1
Shropshire Hills AONB
proposed
structure



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Appendix 2 Options Appraisal – Shropshire Hills AONB possible structures

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Implications for customers <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 80</div>	Pros	Charity provides a more attractive vehicle for donations	Could open avenues for non-public sector funding Freer to advocate for the AONB	Strong body acting solely for the AONB, and more free to advocate Easy to understand	Could open avenues for non- public sector funding
	Cons	Subject to imposed changes from the council which may impact on the ability of the team to focus on the AONB Lack of flexibility Perception may be affected by people’s views of the council May be a disincentive for some people to volunteer or donate money Associated structure and relationships could be confusing	Loss of support from the officers and support services within the council Untested new model to deliver long term	Change from current known structure	Unknown relationship with Council, where statutory duty still lies Potential confusion about responsibilities, and lack of overlap with role/ priorities of another host body
Implications for staff	Pros	Protection of T&Cs for staff	New skills and networks, and support from trustees	Staff transferred on existing conditions New skills and networks, and support from trustees	Potential useful synergies with other staff of host body

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Possible erosion of T&Cs as a result of further cuts Vulnerability to restructuring Staff time involved in supporting charity as well as Partnership	Likely loss of T&Cs such as poorer pension (future staff) Different competencies required of staff and training needs Potential loss of staff and expertise due to savings required?	Not part of a larger organisation Potential loss of staff and expertise due to savings required?	Uncertainty. Possible loss of T&Cs.
Financial Implications Page 81	Pros	Council bankrolling Retain access to LA support such as finance, HR and legal	Could open avenues for non-public sector funding Enhanced ability to fund-raise Support services could be bought in more cheaply outside the Council	Reduced costs overall, as support services can be bought in more cheaply outside the Council Defra funding paid in advance and may be increased? Enhanced ability to fund-raise, working with linked charity	Could open avenues for non- public sector funding
	Cons	Council now charging for support services and funding contributions likely to decrease further Uncertainty resulting from discretion of trustees of independent charity regarding spending	New body may be unable to meet pension commitments Difficulty of maintaining Council funding	Some VAT not reclaimable Difficulty of maintaining Council funding?	Upheavals of transfer Potentially less accountability for public funding Likely loss of Council funding

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Scope for future business development <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 82</div>	Pros	Additional skills from involvement of charity trustees	Focus on needs of the AONB Potential to provide services and tender for commercial business, subject to charitable objects	Unequivocal focus on the needs of the AONB, in proven model Access to skills and expertise through Board members with greater responsibility	Uncertain
	Cons	Council may be less keen to act as accountable body for large project bids in future Sometimes restricted by Council procedures Potential for lack of alignment/competition	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery Untested model among English AONBs	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery	More exposure to external competition Potential for less focus on the AONB due to organisational pressures
Implications for Council	Pros	Reduced draw on support services for some activities which may be moved out to charitable structure Council retains influence on service delivery Large added value can be demonstrated from Council funding	Need to develop an effective agreement around local authority statutory duties for AONB Management Plan Demonstrable model of out-sourcing	Councils permanently transfer statutory AONB Management Plan duty to Board Reduced workload from hosting Strong provision for Council representation Demonstrable model of out-sourcing Council can still take some credit for work through association	Removal of responsibility

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Council retains contractual responsibilities	The council would lose some influence.	The council would lose some influence	Loss of association and kudos from link with AONB activity Councils retain statutory Management Plan duty, and potential lack of clarity over relationship with new host body
Page 83	Identified risks	Continued loss of funding from the council Restructure proposals not in AONB interests Effective links and close working relationship need to be established with charity	Need adequate financial reserves/assets for cash flow Need to attract trustees with sufficient capacity	Need adequate financial reserves/assets for cash flow Defra may not have capacity for establishment Lead-in time for establishment	No possible partner identified or likely to be available Potential host may not commit to longer term
Effect of changes to governance	Pros	New opportunities for involvement and responsibility as trustees	More independence and more responsibility required of Board, Trustees etc	More independence, opportunities for people to take responsibility Secure, high status structure, specifically for AONBs from an Act of Parliament, taking on statutory responsibilities Can sit alongside charitable structure	Unknown, depends on organisation

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Charitable structure and AONB Partnership/ Council relationships could cause tension	Need for formally defined relationship with Councils Untested model in English & Welsh AONBs Charity law may restrict activity?	Need to establish effective working relationship with Councils, charity and Partnership	Lack of connection to LAs who hold statutory responsibility Unknown, depends on organisation
Business Impact / Other Page 84	Pros	Hosting provides links to a range of related services Charity can fund-raise more effectively	Can fund-raise effectively and use directly without intermediary/ associated structure	Freer to comment on planning matters	Disruption during transfer period
	Cons	Risk of AONB benefits not being highest priority due to other pressure on services. Complexity of organisational relationships	Holding directly all risks and responsibilities		Possible different geographic focus of different host body

Appendix 3 Risk Register – Shropshire Hills AONB transition to Conservation Board

	Risk	Probability	Impact	Impact specifics	Contingency actions
1	Non-agreement in principle by local authorities	L	H	Impossible to go ahead	Strong business case. The proposal has been developed with full involvement of Councillors and has support of senior management.
2	Failure to release reserves in full to new body	L	H	Insufficient working capital to cash flow and make project bids	A strong business case has been made on the needs for reserves, and based on the fact that they derive from income earned by the AONB team.
3	Insufficient or declining financial support from LAs	M	M	Lack of funds and visible lack of commitment	Strong business case. Shropshire Council contributions for 2018-19 and 2019-20 have been agreed at levels improved from earlier negotiations. Telford & Wrekin Council have confirmed stability of their contribution. Need to earn more income and/or make savings.
4	Non-agreement by Defra	M	H	Impossible to go ahead	Strong business case. Clarity sought on criteria for decision. NAAONB and political support. Need to consider alternative model?
5	Lack of capacity in Defra to do legal work	M	H	Delay or inability to progress	The Establishment Orders for the two existing Conservation Boards are available as a proven template. The work required should be relatively limited. More time than expected may need to be allowed. Consider alternative model.

6	Lack of capacity within Shropshire Council to support transition	L/M	H	Support needed from various departments	Essential work is being progressed as soon as possible, and good support is currently available. Maintain political support.
7	Lack of trustee/board capacity	L	M	Delay or inability to progress	The Transition Board has been established and is involving new people. Two workshops have been held to get people involved. Development funding is being sought from HLF.
8	Potentially unmanageable burden of pension liabilities	L	H	Especially re scheme shortfalls	Secure transfer within LGPS as 'fully funded' new employer re deficits.
9	Reduction in Defra financial support	M	M	Reduction to extent causing unviability very unlikely	Continue to broaden sources of other income.
10	Failure to secure additional income	L	L	Levels of income may determine scale of operation but unlikely to threaten viability	Staff resource and Board support focused on sound business plan, including pursuit of new projects, fee-earning work and fund-raising.
11	Reduced delivery capacity of AONB team during transition period	M	L	Time taken. Transition process may affect ability to make funding bids for new projects, or make these more complicated.	Careful work programming. Use of available support.

Appendix 4 Financial Information

AONB Forecast Income and Expenditure	Hosted by Shropshire Council		Conservation Board	
	2016/17	2017/18	2018/19	2019/20
	Total	Total	Total	Total
Expenditure				
Staff Costs	£389,280	£407,880	£223,030	£205,630
Direct Employee Costs	£388,035	£388,214	£222,278	£204,877
Indirect Employee Costs	£1,250	£19,666	£750	£750
Premises Costs	£25,390	£20,740	£18,540	£18,690
Rent and Service Charges	£17,390	£12,600	£11,100	£11,100
Rates	£6,100	£6,222	£6,346	£6,473
Energy Costs	£1,900	£1,921	£1,092	£1,114
Transport Costs	£28,390	£28,650	£24,750	£24,450
Car Allowance	£3,850	£3,850	£1,800	£1,500
Direct Transport Costs	£4,800	£4,800	£5,760	£5,760
Contracts	£19,740	£20,000	£17,193	£17,193
Supplies and Services	£540,750	£381,080	£60,200	£18,280
Equipment, Furniture and Materials	£3,130	£3,130	£2,850	£2,850
Printing and Stationery	-£3,946	£2,500	£1,000	£1,000
Communications and Computing	£7,488	£7,488	£7,562	£6,862
Volunteer Expenses	£840	£840	£670	£180
Grants and Subscriptions	£35,384	£3,000	£3,000	£3,000
Project Implementation	£486,483	£348,749	£40,731	£0
Marketing, Promotion and Events	£3,500	£4,500	£3,190	£3,190
Independent Body Set-Up Costs	£6,000	£9,000	£0	£0
Miscellaneous Expenses	£1,870	£1,870	£1,200	£1,200
Support Services	£31,290	£31,290	£17,500	£17,500
Shropshire Council Support Services	£31,290	£31,290	£0	£0
Professional Services	£0	£0	£17,500	£17,500
Total Expenditure	£1,015,100	£869,640	£344,020	£284,550
Income	-£988,390	-£823,530	-£309,760	-£248,550
DEFRA AONB Single Pot	-£186,416	-£189,623	-£192,884	-£196,202
Shropshire Council Grant	-£40,830	-£40,830	-£25,000	-£25,000
Telford and Wrekin Grant	-£2,942	-£2,694	-£2,694	-£2,694
Other Grant Income	-£614,551	-£508,777	-£48,526	£0
Contributions from Other Bodies	-£115,914	-£37,062	-£32,100	-£16,100
Private Contributions	-£7,500	-£7,144	£0	£0
Sales	-£1,000	-£1,000	-£1,000	-£1,000
Fees and Charges	-£19,242	-£8,400	-£7,550	-£7,550
(Surplus)/Deficit	£26,710	£46,110	£34,270	£36,000
Plan A				
Potential Sources of Further Income Generation	-£2,500	-£27,000	-£39,860	-£35,080
Potential Increase in DEFRA Funding following Independence	£0	£0	-£12,859	-£13,080
Upland Commons Project	£0	-£20,000	-£20,000	-£20,000
Jean Jackson Trust	£0	£0	-£5,000	£0
Admin and Grant Work for Conservation Fund	-£500	-£2,000	-£2,000	-£2,000
Woodland Trust	-£2,000	-£5,000	£0	£0
Appropriations to/(from) Reserve	-£24,210	-£19,110	£5,590	-£920
(Surplus)/Deficit	£0	£0	£0	£0
Plan B				
New Earned Income and New Projects	£0	-£20,000	-£30,000	-£30,000
Increased Fee-Earning Work and Income from New Projects	£0	-£20,000	-£30,000	-£30,000
Appropriations to/(from) Reserve	-£26,710	-£26,110	-£4,270	-£6,000
(Surplus)/Deficit	£0	£0	£0	£0
Plan C				
Reduction in Posts	£0	-£7,900	-£35,480	-£35,520
Deletion of One or More Posts	£0	-£26,400	-£35,480	-£35,520
Estimated Redundancy Cost	£0	£18,500	£0	£0
Appropriations to/(from) Reserve	-£26,710	-£38,210	£1,210	-£480
(Surplus)/Deficit	£0	£0	£0	£0

Appendix 4 Financial Information

AONB Forecast Movement in Reserves

	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£37,009.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£91,431.80	£1,272.64

Result of Plan A	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£130,941.75	£1,272.64
I&E Surplus/Deficit	-£8,728.32	-£8,884.20	-£897.00	-£5,699.00	-£24,208.52	-£10,009.95	
Closing Balance	£130,941.75	£1,272.64	£20,751.18	£0.00	£152,965.57	£120,931.80	£1,272.64

Result of Plan B	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£17,009.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£111,431.80	£1,272.64

Result of Plan C	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£29,109.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£99,331.80	£1,272.64

Appendix 4 Financial Information

AONB Forecast Movement

	2017/18			2018/19			
	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£91,431.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-46,109.95	£-29,975.59		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£104,355.62	£61,456.21	£1,272.64	£7,358.18	£0.00

Result of Plan A	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£152,965.57	£120,931.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-19,109.95	£9,883.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£133,855.62	£130,815.21	£1,272.64	£7,358.18	£0.00

Result of Plan B	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£111,431.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-26,109.95	£24.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£124,355.62	£111,456.21	£1,272.64	£7,358.18	£0.00

Result of Plan C	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£99,331.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-38,209.95	£5,504.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£112,255.62	£104,836.21	£1,272.64	£7,358.18	£0.00

Appendix 4 Financial Information

AONB Forecast Movement

		2019/20				
	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£104,355.62	£61,456.21	£1,272.64	£7,358.18	£0.00	£70,087.03
I&E Surplus/Deficit	-£34,268.59	-£31,710.16		-£4,293.00		-£36,003.16
Closing Balance	£70,087.03	£29,746.05	£1,272.64	£3,065.18	£0.00	£34,083.87

Result of Plan A		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£133,855.62	£130,815.21	£1,272.64	£7,358.18	£0.00	£139,446.03
I&E Surplus/Deficit	£5,590.41	£3,369.84		-£4,293.00		-£923.16
Closing Balance	£139,446.03	£134,185.05	£1,272.64	£3,065.18	£0.00	£138,522.87

Result of Plan B		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£124,355.62	£111,456.21	£1,272.64	£7,358.18	£0.00	£120,087.03
I&E Surplus/Deficit	-£4,268.59	-£1,710.16		-£4,293.00		-£6,003.16
Closing Balance	£120,087.03	£109,746.05	£1,272.64	£3,065.18	£0.00	£114,083.87

Result of Plan C		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£112,255.62	£104,836.21	£1,272.64	£7,358.18	£0.00	£113,467.03
I&E Surplus/Deficit	£1,211.41	£3,809.84		-£4,293.00		-£483.16
Closing Balance	£113,467.03	£108,646.05	£1,272.64	£3,065.18	£0.00	£112,983.87

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