

MEMBERS' QUESTIONS
AGENDA ITEM 6

QUESTION 1

MR N J HARTIN will ask the following question:

A large number of Temporary contracts were entered into by staff at the start of the Unitary Council. As a result of the on-going transformation plans can the Leader confirm how many of these have been terminated & how these are shown in the redundancy figures to date.

THE LEADER will reply as follows:

On 1 April 2009 there was a decrease in the number of temporary staff working for the council, as a number who had been given fixed term contracts at Shropshire County Council and the five borough and district councils in the period prior to the new Unitary Council being established either had their contracts ended or became permanent employees of the new Shropshire Council.

Since 1 April 2009, Shropshire Council has ended 195 Fixed Term contracts. It is not feasible to distinguish between those staff engaged in respect of the LGR workload/skills requirements and those covering other workload/skills shortages. Although those with over 2 years service (of which there were 10 staff) were eligible to receive a redundancy payment, they have not been included in the overall redundancy figures because they were not on permanent contracts.

QUESTION 2

MR N J HARTIN will ask the following question:

As a result of the changes to the staffing structure a number of managers & staff have taken on new roles with reduced remuneration. Can the Leader confirm that all staff, including all managers & staff affected in this way, have been offered new contracts based on the 5.4% reduction in remuneration spread over two years.

THE LEADER will reply as follows:

I can confirm that the Council intends to reduce the salaries of all staff affected by our recent Management Review by 5.4% over two years, in common with other staff, (except those on lower salaries).

For senior managers, this change has been subject to separate formal consultation, which has recently ended. So, given the need for full notice, any salary reductions for these staff will be implemented from 1 January 2012 or earlier where individuals are willing, voluntarily, to forego full notice or accept the changes, which some have already done.

When it is fully completed in 2013, the Management Review will have reduced our management costs by over £5m. The 5.4% salary reduction will further reduce these costs.

This is just one example of the ways in which the Council is protecting essential frontline jobs and services, and avoiding large scale redundancies for our current staff, whose skills, experience, and commitment are essential to our future success.

QUESTION 3

MRS TRACY HUFFER will ask the following question:

Recent freedom of information requests in the South west have revealed that £103.8M has been invested in tobacco firms by seven local authorities with an estimated £1bn invested nationwide. In 2013 County & Unitary Councils will assume legal responsibility for public health as part of the Coalition governments restructuring of the NHS and such investments will, according to the South West NHS Regional Director of Public Health, mean they will be open to legal challenge if they do not make alternative investment arrangements before taking on this responsibility.

Given that it will be possible for Pension Funds to achieve similar returns by investments in areas which do not impact public health, can the portfolio holder advise what is the total value of Shropshire Council Pension Fund investments in Tobacco Companies & what plans are in place to disinvest in areas where the Council could be accused of profiting from deaths and so remove this conflict of interest before any legal challenge takes place.

THE LEADER will reply as follows:

Shropshire County Pension Fund has taken legal advice on the acceptability of the Fund invest in tobacco stocks and as a result of this, has no plans to disinvest in the future unless the regulatory environment changes through regulatory amendment or successful legal challenge.

The over-riding fiduciary duty of the Pensions Committee is to maximise investment returns in order to pay pension benefits to scheme members and keep employer contribution rates down. The legal advice confirmed it is only acceptable to have an investment policy determined by non-financial criteria, provided it does not detract from investment returns, which would be the result of divestment in tobacco since the stocks have very attractive investment characteristics such as high and stable yields and steady growth, and tobacco firms are legal businesses which are a large part of markets. Shropshire County Pension Fund currently has only 0.64% of the total Fund invested in tobacco companies.

The Fund believes good governance is an important element in reducing the risk of corporate failures in the future, and over the long term is committed to corporate best practice that will enhance investment returns. To reflect its role as administering authority, the Council has a transparent, robust and considered approach in place with regards how its investment managers deal with environmental, social and governance matters.

Mrs Huffer is not correct in claiming that "such investments will, according to the South West NHS Regional Director of Public Health, mean they will be open to legal challenge if they do not make alternative investment arrangements before taking on this responsibility". This overstates what was reported in the media, which said only that "if they (Councils) keep them (tobacco investments) they could be accused of conflicts of interest when they assume legal responsibility for public health, including anti-smoking work, in 2013"