

Date: Wednesday, 10 February 2016

Time: 12.30 pm

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

Contact: Jane Palmer, Senior Democratic Services Officer
Tel: 01743 257712
Email: jane.palmer@shropshire.gov.uk

CABINET

TO FOLLOW REPORT (S)

3 Minutes (Pages 1 - 12)

To approve as a correct record and sign the Minutes of the Cabinet meetings held on 9 December 2015 and 27 January 2016. Attached marked 3 TO FOLLOW

Contact: Jane Palmer 01743 257712

6 Reports from Scrutiny Committees - Final Report from the Budget 2016/17 Task and Finish Group (Pages 13 - 24)

Report of the Performance Manager is attached, marked 6. TO FOLLOW

Contact: Tom Dodds 01743 252011

11 Estimated Collection Fund Outturn 2015/2016 (Pages 25 - 32)

Lead Member – Mr Malcolm Pate – Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan.

Report of the Head of Finance, Governance and Assurance is attached marked 11. TO FOLLOW

Contact: James Walton 01743 255001

26 Waste Services Update (Pages 33 - 40)

Lead Member – Mr Mal Price – Portfolio Holder for Planning, Housing, Regulatory Services and Environment.

Exempt Report of the Director of Commissioning is attached, marked 26. TO FOLLOW.

Contact: George Candler 01743 255003



Committee and Date

Cabinet

10 February 2016

CABINET

Minutes of the meeting held on 9 December 2015 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30 - 1.40 pm

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

Present

Councillors Steve Charmley (Deputy Leader) - in the Chair, Tim Barker, Karen Calder, Lee Chapman, Ann Hartley, Simon Jones, Malcolm Price and Claire Wild

78 Apologies for Absence

78.1 Apologies for absence were received from Councillors D Turner and A Mosley.

79 Disclosable Pecuniary Interests

79.1 None were declared.

80 Minutes

80.1 RESOLVED:

That the Minutes of the Cabinet meetings held on 14 and 28 October 2015 be approved as a correct record and signed by the Deputy Leader [in the Chair].

81 Public Questions

81.1 Mr Deniz Gulduren had submitted a question regarding the Council's intentions to financially support the Shropshire members of Youth Parliament, the youth representation over the next 24 months. A written reply was tabled at the meeting and a copy of the full question and response is attached to the signed Minutes.

81.2 Responding to a supplementary question, the Portfolio Holder for Children's Services explained that the Council planned to involve young people in the Big Conversation through School Councils and focus groups; she stressed that the opinion and input of everyone would be greatly valued.

81.3 Mr Bernard Wills had submitted a question regarding the primary aim of future swimming provision. A written reply was tabled at the meeting and a copy of the full question and response is attached to the signed Minutes.

81.4 By way of a supplementary question, Mr Wills queried whether the primary aim of the future provision was to reduce participation levels. He stated that the Quarry

Swimming and Fitness Forum had issued a report. In response, the Portfolio Holder for Business, ip&e and Commissioning [North], stated that all feedback to the ongoing consultation was welcomed and would be taken into account and form part of the full analysis of responses.

82 Matters Referred from Scrutiny/Council

82.1 There were no matters referred from Scrutiny or Council.

83 Reports of Scrutiny Committees

83.1 a) Enterprise and Growth Scrutiny Committee: Final report of the Student Accommodation Task and Finish Group

83.2 The Chairman of the Task and Finish Group, Councillor D Carroll, presented its final report and findings. A Member drew attention to the growing anxiety in some parts of Shrewsbury and stressed the need to gather evidence and data at an early stage in order to avoid future problems. He cited Worcester and Chester as examples where student accommodation had not had a positive impact on the locality.

83.3 The Portfolio Holder for Regulatory Services, Housing and Commissioning [Central] stressed that a University was greatly supported and potential problems needed to be dealt with straight away as part of the process. He stressed that, without sufficient evidence, an Article 4 Directive on the town centre would be challenged. He agreed that the establishment of an HMO database was an excellent idea and commended the Task and Finish Group on its excellent work illustrating the role of scrutiny in policy formulation.

83.4 The Portfolio Holder for University Centre and Shrewsbury BID commented that Shrewsbury should not be compared with either Chester or Worcester. She added that the current planned student levels in Shrewsbury would not have the same impact. The Chairman of the Task and Finish Group commended the Group's recommendations and considered them to represent a proportionate response to the concerns of local people.

83.5 RESOLVED:

That the recommendations of the Student Accommodation Task and Finish Group be supported.

83.6 In the absence of the Portfolio Holder for Finance, Resources, Support and I.T., the Portfolio Holder for Performance stated that the feedback from Scrutiny Committees would be considered as part of the consideration of the Financial Strategy 2016/17 to 2020/21.

84 Financial Strategy 2016/2017 to 2020/2021

- 84.1 The Portfolio Holder for Performance presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – on the next stage in developing a sustainable financial strategy for the Council.
- 84.2 Referring to paragraph 9 of the report, he stated that the development of a sustainable business model would be considered in more detail at the Cabinet meeting in January 2016. He made particular reference to the feedback received from the Scrutiny Committees [agenda item 5] and the summary of feedback from each of the Scrutiny Committees.
- 84.3 A Member commented on the use of 'one off' resources throughout the paper. The Head of Finance, Governance and Assurance (Section 151 Officer) stressed that this illustrated the changing face of local government finance and assured Members that one off resources were used wisely in order to facilitate smooth transitions and there was never any assumption that they would always be available. The Chief Executive added that this was new territory and not all savings would be achievable by redesigning services. Members understood that Adult Social Care was the most significant cost to the Council.
- 84.4 Referring to paragraph 9.6 of the report, the Portfolio Holder for Adult Services and Commissioning [South] commented that the 'Star Chamber' events that had taken place to review savings proposals and options for future delivery had been valuable and challenging. He stressed the need for the Council to look at demographic increases and to respond to the resultant pressures.
- 84.5 **RESOLVED:**
- i) That the revised savings for 2016/17 be approved as set out in Appendix 3;
 - ii) That the savings to be managed on a one off basis in 2016/17 be noted;
 - iii) That a precept of 2% for Adult Social Care from 1 April 2016 be recommended to Council in February 2016;
 - iv) That an increase in Council Tax of 1.99% be recommended to Council in February 2016; and
 - v) That a permanent virement of £1.382m from Corporate Budget to Adult Services in 2015/16 be recommended to Council on 17 December 2015.

85 Treasury Management Update - Quarter 2 2015/2016

- 85.1 The Portfolio Holder for Performance presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – which outlined the treasury management activities of the Council in the last quarter.
- 85.2 **RESOLVED:**

That the position as detailed in the report be accepted.

86 Treasury Strategy 2015/2016 - Mid Year Review

86.1 The Portfolio Holder for Performance presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – on the mid-year review of the Council's Treasury Strategy and paid tribute to the work of the Council's internal treasury team.

86.2 RESOLVED:

- i) That the position detailed in the report be accepted; and
- ii) That it be noted that any capital schemes brought forward that would impact on the current Strategy would need to be approved by Council.

87 Setting the Council Tax Taxbase for 2016/17

87.1 The Portfolio Holder for Performance presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – on the Council Tax taxbase for the area.

87.2 Referring to paragraph 2.3 of the report, a Member commented on the Council's decision to withhold Council Tax Support Grant funding from the Parish and Town Councils; the Portfolio Holder stated that he would be happy to talk to Parish and Town Councils but did not consider there was any reason to change the position. The Council Leader elect was present at the meeting and stated that he had every sympathy with Parish and Town Councils but was unaware of any difficulties being suffered by them because of this decision; he added that difficult and hard decisions were having to be made in the current climate.

87.3 RESOLVED:

- i) That in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2016/17, as detailed in Appendix A, totalling 104,912.48 Band D equivalents, be approved.
- ii) That the continuation of the Council's current localised Council Tax Support (CTS) scheme in 2016/17 be noted. The scheme is attached at Appendix B.
- iii) That the exclusion of 10,986.82 Band D equivalents from the taxbase as a result of localised Council Tax Support be noted.
- iv) That the continuation of the discretionary Council Tax discount policy of 0% be noted in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection) and note the inclusion of 672.72 Band D equivalents in the Council Tax taxbase as a result of this discount policy.
- v) That continuation be noted of the discretionary Council Tax discount policy of 50% for up to 12 months in respect of vacant dwellings undergoing

major repair, i.e. Former Class A exempt properties, and the resulting exclusion of 106.39 Band D equivalents from the Council Tax taxbase.

- vi) That continuation be noted of the discretionary Council Tax discount policy in respect of vacant dwellings, i.e. Former Class C exempt properties, of 100% for one month, i.e. effectively reinstating the exemption, and then a 25% discount for the remaining five months and the resulting exclusion of 195.11 and 264.36 Band D equivalents respectively from the Council Tax taxbase.
- vii) That continuation of the “six week rule” be noted in respect of vacant dwellings, i.e. former Class C exempt properties.
- viii) That continuation be noted of the discretionary power to levy a Council Tax premium of 50% in relation to dwellings which have been empty for more than two years and the resulting inclusion of 228.94 Band D equivalents in the Council Tax taxbase.
- ix) That a collection rate for the year 2016/17 of 98.5% be approved.

88 Delegation of Functions to Birmingham City Council for the Purposes of Illegal Money Lending Enforcement

88.1 The Portfolio Holder for Regulatory Services, Housing and Commissioning [Central] presented a report by the Director of Commissioning – copy attached to the signed Minutes – seeking approval for the Council to authorise Birmingham City Council to investigate illegal money lending activities and to institute proceedings against illegal money lenders operating within the Shropshire Council area.

88.2 RESOLVED:

- i) That Cabinet agrees that with effect from the 1 April 2016 to 31 March 2021 the discharge of its function of the enforcement of Part III of the Consumer Credit Act 1974 and the enabling provisions within the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000 be carried out in Shropshire by Birmingham City Council and delegates the power of prosecution to Birmingham City Council for any matters associated with or discovered during an investigation by the illegal money lending team pursuant to Section 101 of the Local Government Act 1972, Regulation 7 of the Local Authority (Arrangements for Discharge of Functions) (England) Regulations 2000 and Section 13 and 19 of the Local Government Act 2000.
- ii) That Cabinet agrees the ‘Protocol for Illegal Money Lending Team Investigations’ as set out in Appendix A and delegates to the Senior Commissioner for Business Support and Regulatory Services, in consultation with the Portfolio Holder for Regulatory Services, Housing and Commissioning (Central), the authority to enter into this Protocol

with Birmingham City Council on behalf of Shropshire Council and to make and approve any necessary amendments to the Protocol, excluding any amendment to extend the term, if required.

89 Shropshire Council Adult Social Care - Local Account 2014-15

- 89.1 The Portfolio Holder for Adult Services and Commissioning (South] presented a report by the Director of Adult Services – copy attached to the signed Minutes – on the Local Account for Shropshire 2014-15 that was both a retrospective view of the achievements of 2014-15 and also set out the aspirations, challenges and direction of travel for 2015-16. He drew attention to the magazine style layout of 'Making it Real in Shropshire' and stated that this should be more user friendly to those who may wish to view its contents.
- 89.2 With reference to page 27 of the document, a Member queried whether the 62.6% proportion of social care users satisfied with their care should be considered to be satisfactory. The Portfolio Holder commented that this percentage was a result of users' responses to an annual survey and the aim was always to make improvements to improve customer satisfaction.

89.3 RESOLVED:

That the Adult Social Care Local Account 2014/15 be noted and approved.

90 Shropshire Schools Funding Formula

- 90.1 The Portfolio Holder for Children's Services presented a report by the Director of Children's Services – copy attached to the signed Minutes – on the Shropshire Schools funding formula for 2016-17 and stressed the importance of working with the Shropshire Schools Forum on this issue. She stated that the Council needed to continue to be forward thinking in its provision of schools throughout the county whilst taking falling school rolls into consideration and the ongoing sustainability of smaller schools.

90.2 RESOLVED:

That the recommendation of the Shropshire Schools Forum on the funding formula for Shropshire schools for the financial year 2016-17 be accepted.

91 Quarter 2 Performance Report 2015/2016

- 91.1 The Portfolio Holder for Performance presented a report by the Performance Manager – copy attached to the signed Minutes – on the Council's performance against its key outcomes for Quarter 2 of 2015-16.
- 91.2 In answer to a Member's comments on the Big Conversation and its future ability to inform the Council, the Chief Executive stated that it would not relate solely to the

Financial Strategy but would allow the Council to engage with the community on a whole range of issues.

91.3 RESOLVED:

That the key underlying and emerging issues in the report and appendices be noted.

92 Shropshire Small Business Loan Scheme

92.1 The Portfolio Holder for Business, ip&e and Commissioning (North) presented a report by the Director of Commissioning – copy attached to the signed Minutes – outlining the assessment of economic benefits and impact of the Council's Shropshire Small Business Loan Fund, based on the Economic Impact Tool developed by Coventry University.

92.2 A Member spoke in support of the scheme and stated that any help that could be offered to small businesses should be welcomed.

92.3 RESOLVED:

- i) That in-principle agreement be given to ring-fence all loan repayments and any de-committed Shropshire match funds relating to the loan scheme for future use as a fund operated on a similar basis to the ERDF loan scheme to sustain support to businesses;
- ii) That delegated authority be granted to the Head of Economic Growth and Prosperity in consultation with the Portfolio Holder for Business Growth, ip&e, Culture and Commissioning (North) to agree and complete all formalities to facilitate the procurement process; and
- iii) That Councillor Gwilym Butler joins the Impetus Board as a Director representing Shropshire Council.

93 Exclusion of Press and Public

93.1 RESOLVED:

That in accordance with the provisions of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations, and Paragraph 10.2 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following item.

94 Exempt Minutes

94.1 RESOLVED:

That the exempt Minutes of the Cabinet meeting held on 28 October 2015 be approved as a correct record and signed by the Deputy Leader (in the Chair).

Signed (Leader)

Date:

CABINET

**Minutes of the meeting held on 27 January 2016 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.00pm - 12.58 pm**

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

Present

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

95 Apologies for Absence

95.1 There were no apologies for absence.

96 Disclosable Pecuniary Interests

96.1 No Disclosable Pecuniary Interests were declared.

97 Public Questions

97.1 No public questions were received.

98 Matters referred from Scrutiny/Council

98.1 No items had been referred from Scrutiny or Council.

99 Financial Strategy 2016/17 to 2018/19

99.1 The Leader presented a report from the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed Minutes – which presented the next important stage in developing a sustainable financial strategy for the Council. The Leader stated that the report detailed the worst case scenario. Government consideration of the financial settlement for rural and urban areas would be taking place in February 2016 and may provide some answers to the current situation. He added that he had personally made written representations to the Prime Minister and he would also be seeking an audience with Ministers to make further representations. He stated that he would welcome input from all political parties within the Council with this task.

- 99.2 A Member commented that the report made disturbing reading and queried whether it could be deliverable. He queried whether the Council could legally deliver the service required for safeguarding children, the impact on the Council's recreational facilities and the diminishing of economic development. Responding, the Leader drew attention to the fact that expenditure on children's and adult services had been prioritised to ensure that the Council's statutory obligations were met. He stated that there was a new era dawning with the opportunity to work together to make the situation more palatable.
- 99.3 The Portfolio Holder for Planning, Housing, Regulatory Services and the Environment commented that there would be an impact on services and agreed that adult and children's services had to be protected. He urged all Members from all political persuasions to work together and to share ideas on ways to protect services for the future.
- 99.4 In answer to the suggested reinstatement of the Council Tax Support Grant to Parish and Town Councils, the Leader commented that he did not see any reason to reconsider this matter. He added that a conference was to be held with Parish and Town Councils to discuss working together in partnership to help local communities. Another Member commented that there was little capacity in this and the voluntary sector to take on additional responsibilities. He concluded that this was a very sad meeting that he believed illustrated the diminution and decline of public services.
- 99.5 The Portfolio Holder for Rural Services and Communities stated that Shropshire, through the Rural Services Network (RSN), had been at the forefront of making representations to government on the disparity of funding between urban and rural areas. She drew attention to the increase in the rural services delivery grant from £800k in 2012 to £65M (nationally) this year following heavy pressure from the RSN. She stressed that the disparity between rural and urban was still far too great particularly given the cost per capita being much higher in rural areas and service delivery costs being far greater. The exemplary work being undertaken by Members working on rural issues was recognised.
- 99.6 The Portfolio Holder for Adults acknowledged the burden of being the biggest single liability to the Council. He drew attention to the savings made over the last 4 years where the focus had been on prevention that had allowed additional spend to be diverted to areas of greatest need. He stressed the importance of supporting vulnerable adults and stated his continued commitment to delivering efficient and effective services to look after the vulnerable adults in the county.
- 99.7 The Portfolio Holder for Children and Young People voiced his horror at the current financial position but added that free support had been offered by the Local Government Association to ensure that the service was concentrating its efforts in the right areas. He stated that he would then be better placed to comment on the situation going forward to 2017/18. The Portfolio Holder for Leisure and Culture stated that he was determined to look at alternatives to closure of facilities wherever possible.

99.8 Drawing the debate to a close, the Leader concluded that there was general support for an all-party approach to address the future issues of the Council and for a group of Members to make representations to Ministers in London on the serious issues facing the Council. The Chief Executive added that he hoped through cross party working the situation could be improved and the Council could rebuild together with its partners – Parish and Town Councils, the LEP, health and social care partners and others.

99.9 **RESOLVED:**

- i) That the impact of the Provisional Local Government Settlement and Spending Review on the Council's Financial Strategy be noted, as set out in Section 6.
- ii) That the revised proposals to manage the 2016/17 budget as a result of the Provisional Local Government Settlement be approved, as set out in Section 7.
- iii) That the revised modelling of Council Resources over the following 2 years 2017/18 to 2018/19 be noted, as set out in Section 8 and the implications for future service delivery, Council Tax increases and budget reductions.
- iv) That the target budgets for each Directorate of the Council and the initial savings to achieve a balanced budget for 2017/18 and 2018/19 be noted, as set out in Appendix 3 to this report.

Signed (Leader)

Date:

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Committee and date

Cabinet

10 February 2016

REPORT OF THE BUDGET 2016/17 TASK AND FINISH GROUP

Responsible Officer Tom Dodds

Email: tom.dodds@shropshire.gov.uk

Tel: 01743 253068

1.0 Summary

- 1.1 This report presents Performance Management Scrutiny Committee with the findings and recommendations of the Budget 2016/17 Task and Finish Group. It shares the process that followed, as well as the key emerging issues that the Task and Finish Group have identified through their work.
- 1.2 The Task and Finish Group would like to thank the Portfolio Holders, Directors and their Senior Managers, and the Chief Executive for their openness and frank discussion of the budget 2016/17 and the Financial Strategy.

2.0 Recommendations

- A. The Council should continue to actively lobby the appropriate individuals and organisations about the financial situation it finds itself in; individually and collectively with other local authorities.
- B. The Scrutiny Work Programme should have the Financial Strategy as a main focus, taking account of the work being done to develop opportunities and proposals to change the way that services are delivered. Scrutiny wish to be involved in the budget setting process at an earlier stage.
- C. More information on the impact/implications of proposed savings should be included in future years budget proposals, and as the plans for areas set out in the Financial Strategy are refined and more defined.
- D. Cabinet are asked to highlight the risks and impacts of proposed changes to achieve the Budget 2016/17, to be clear on unforeseen consequences and how they will be managed, tolerated or avoided.
- E. In order to enable a better view of how the Council is deploying its resources, future budgets should be aligned with the future long term strategy of the Council and as well as the more operational split to service areas.
- F. The work through 2016/17 and future work should pay greater attention to the identification and realisation of income generation and invest to save opportunities by all means available to the Council.

- G. Communication and engagement with all stakeholders and communities on the reality of the situation affecting the Council and the opportunities and options which are available to deliver current services differently, must be a priority.
- H. Work with partners needs to continue to ensure that wherever possible plans and actions do not shunt risks and costs between organisations, and joint and integrated working is explored and implemented to maximise the impact of resources.
- I. The Council should explore with partners, providers and communities how appropriate support can be put in place to enable them to take up opportunities to ensure services that communities' value continue to be available to them.

3.0 Risk Assessment and Opportunities Appraisal

- 3.1 The Council has developed a Sustainable Business Model to help work through the difficult choices that need to be made with a reducing budget and statutory requirements.
- 3.2 This Task and Finish group has focused on the Budget for 2016/17, but also taken account of the context of the Financial Strategy for 2017/18 and 2018/19. It is clear that all changes to meet the challenges faced by the Council now carry risks, whether they are political, economic, social, technological, legal or environmental. The Task and Finish group believe that more information on the potential impact or implications of the budget proposals would have helped them to fulfil this activity.
- 3.3 The Task and Finish Group have considered some risks and opportunities these with Senior Officers and Portfolio Holders where it has been possible to do so. As services are redesigned and options for future delivery are identified the process for doing this should include identifying opportunities and the risks of achieving the as an early step with the specification of future arrangements.

4.0 Financial Implications

- 4.1 This report will be presented to Cabinet to inform the Budget for 2016/17. The report sets out the view and recommendations of the Task and Finish Group, and subject to Cabinet agreeing any specific recommendations and alternative suggestion that may be made, does not have any direct financial implications.

5.0 Context

- 5.1 The Task and Finish Group has focused on the proposals for the Council Budget 2016/17, but also sought to understand the future direction set out in the financial strategy to inform their consideration.
- 5.2 The Objectives for the Task and Finish Group were as follows:
 - To consider the budget proposals and identify the priority areas for further consideration and the relevant people to hear from to inform this work.
 - To develop lines of enquiry and provide any witnesses with the requests for information to provide sufficient time for responses to be developed and supporting information provided.
 - To consider the emerging information arising from the Big Conversation.

- To consider options and evidence of what works that is applied in other areas of the Country and use this inform the formulation of any recommendations for alternative proposals.
- To identify any likely impacts of the budget proposals and explore how these will be managed with the relevant officers and Portfolio Holders.
- To make recommendations to Cabinet on the proposed 2016/17 Budget
- To identify any topics to be added to Scrutiny Committee work programmes.
- To understand the process of saving identification
- To understand the rationale for the decommissioning process and the implications for 2016/17.

5.3 The Task and Finish Group consisted of the following Members:

- Cllr Hannah Fraser – Chair
- Cllr Vince Hunt – Vice Chair
- Cllr Alan Mosley
- Cllr Gwilym Butler
- Cllr Nick Bardsley

5.4 In order to achieve their objectives and make the most of the time available the Task and Finish group identified the key questions that they wanted to ask of the Chief Executive, Section 151 Officer and to Directors and their senior managers. These questions were circulated in advance of the meeting and are attached at appendix 1. An additional meeting of the Task and Finish group was added to take place on the 27 January following the Special Cabinet Meeting for the Task and Finish Group to meet with Portfolio Holders.

5.5 The report of the Task and Finish group will be presented to the Performance Management Scrutiny Committee on the 3 February 2016, and will then go to Cabinet on the 10 February.

6.0 Key findings

6.1 Based on the Autumn Budget Statement and Settlement the Task and Finish Group received the following essential messages from the Chief Executive and Section 151 Officer that helped to explain the challenges that the Budget 2016/17 and the Financial Strategy are setting out to address:

- Expected cuts to Government funding will be frontloaded and will include additional responsibilities.
- There is a stated shift by National Government to Local Government being self-sufficient for funding e.g. through locally raised funds such as Council Tax and Business Rates. [For Council Tax, it was shared that the Treasury assumption is that all upper tier Councils would take up the 2% precept for Adult Social Care and a 1.75% to 1.99% increase which would be below the 2% referendum level.]
- The proposal for Shropshire was Council Tax would increase by 3.99%, in line with the Treasury assumption. This would be for 2016/17, and going forward into future years.
- The provisional settlement for the next 4 years does not detail what will happen with 100% retention of Business Rates. However, a shift in liabilities to the Council is expected including covering Attendance

Allowance and the Public Health Grant. The cost of liabilities would be expected to exceed the value of the retained grant.

- The Council is budgeting for an additional £2million for the increase in National Insurance contributions.
- The living wage is expected to require £1million per year through to 2020/21 when the level set by the Chancellor is reached. The Council expecting to be paying an additional £5m from base budget in 5 years.
- Allowance of £500,000 per year in the base budget is being made for Apprenticeships.
- Some urban authorities will be net beneficiaries over the coming years. Shropshire Council expects to be a net loser. Cuts to urban authorities will also not be frontloaded.
- The Rural Services Delivery Grant is used to cover the additional cost of delivery in rural areas, and this could be worth an additional £5million for Shropshire by 2019/20. At present, it is proposed to use this grant to cover the loss of Care Act funding to Adult Social Care in 2016/7 and 2017/18.
- The Council is lobbying through the County Council's Network and Local Government Association to raise the issues and challenges being faced.

6.2 Each Directorate continues to face different challenges over the coming years. The Task and Finish Group identified that Directors had greater confidence in achieving the savings in 2016/17 than in the coming years. There were also differing degrees of confidence expressed by Directors in achieving the full planned savings for 2016/17, and all highlighted the challenges and that delivering the required savings over the coming years would result in changes to the way services are currently provided.

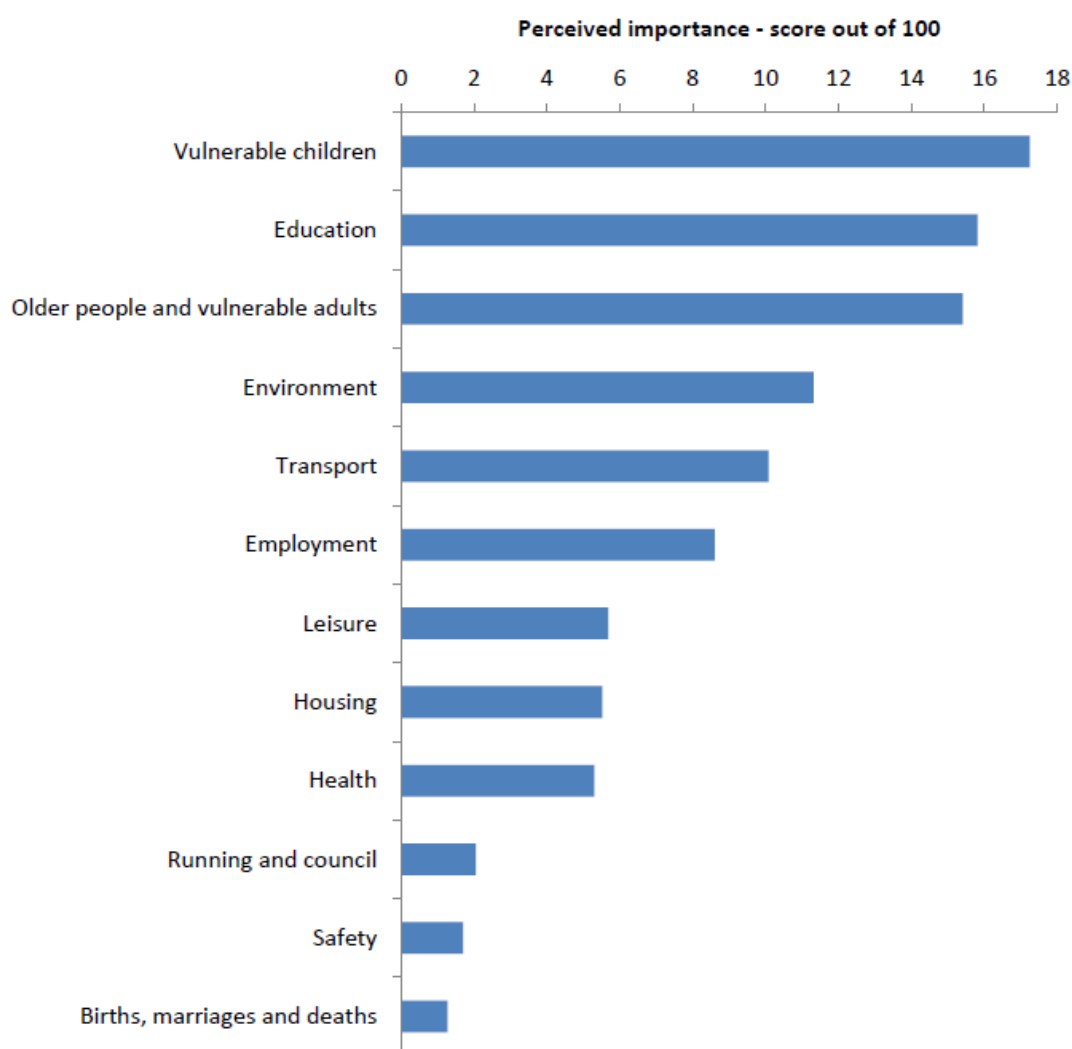
6.3 In order to achieve the savings over the coming year Directors described a range of approaches which covered redesign of current services both provided from within the Council and by external providers, including through the renegotiation of contracts, changes to opening hours or levels of service, through recommissioning, and through closer working with Town and Parish Councils.

6.4 In Adult Social Care, no new savings are identified for 2016/17, however there is a requirement to deliver £3.2M of savings identified but not achieved from last years' budget. A key mechanism of delivering these and future savings is to provision for supported living to reduce demand for residential care. These savings are achievable but subject to some risk of slippage. Ongoing savings identified for 2017/18 include cuts to preventative services which may in fact be statutory under the Care Act, and these savings are therefore highly uncertain. There is a significant risk that reductions in preventative services will increase demand for statutory services, putting further pressure on budgets. A significant factor contributing to budget pressures in Adult Social Care (ASC) is the volatility of demand in hospital discharges and complex care packages. There is scope for significant improvements in working arrangements with Clinical Commissioning Group (CCG) and NHS partners to help control these costs, if there is the will amongst all partner organisations to contribute to these improvements.

- 6.5 The Task and Finish group received evidence highlighting the impact of demographic pressures on services such as an increasing older population, as well as factors outside of the Council's control such as the impact of the weather, changes in circumstance of people who had been paying for their own care, and the priorities and policies of partners.
- 6.6 In Young People's Services, the 2016/17 budget includes changes to provisioning residential care for Looked After Children, and redesign of some early help/support services. The volatility of demand, particularly with regard to Looked After Children puts these savings at some risk. The Task and Finish Group were assured that the needs of the child were put ahead of budget considerations when designing care packages. There is genuine concern that the savings required for the 2017/18 budget are not deliverable, and that the level of service reduction in many important areas will not only impede the Directorate's ability to deliver statutory services and control demand, but will have implications for outcomes for Shropshire's Children. Increased capacity would assist in making changes that could achieve savings, although the capacity and willingness of stakeholders can also be a factor in progress. Work is ongoing to find ways that future budget requirements can be met with less impact on services.
- 6.7 In the Commissioning Directorate, many of the services that will be subject to change in 2016/17 and moving forward are those that are most visible to most of the public, and many savings proposals will be subject to public consultation. At present, the specific details of changes across many service areas are not fully defined. Whilst the budget changes for 2016/17 are considered deliverable, it is difficult to evaluate the likely impact of service changes.
- 6.8 The importance of preventative services was discussed in relation to helping manage demand. Additionally, the Task and Finish Group recognised the complex interdependences and linkages that exist across all of the Council's service areas to meet the wide ranging statutory requirements that the Council is responsible for. Non-statutory services provided by or organised through the Commissioning Directorate enable other Directorates to achieve their statutory responsibilities, for example the provision of swimming pools so that children can learn to swim, and the provision of public transport.
- 6.9 Work is continuing with Town and Parish Council's to explore how they might take on the management of services important to their communities, and the handing over assets to ensure that they remain accessible to communities. This is of particular importance for ongoing delivery of services such as leisure centres, museums, parks and countryside, community development, arts and culture, where the Council's budget in 2017/18 is planned to reduce to zero.
- 6.10 The Task and Finish Group raised concerns about the capacity of Town and Parish Councils to deliver or provision for these services, some of which entail significant costs. It is important that the ongoing fate of these services is monitored by the Council particularly where there may be impacts on delivery of statutory services, and where cessation of services would have significant impact on the quality of life for residents.
- 6.11 Behaviour change was discussed as a means of reducing demand and therefore costs. There was little evidence that any Directorates were

provisioning to encourage or incentivise behaviour change, nor indeed any evidence that this is truly a viable mechanism to achieve the required levels of savings and maintain the provision of services in communities in the timescales the Council is working within. The focus on enabling people and communities to do more for themselves and others would require a shift from people looking to the Council and other public services to do things for them, to people taking the responsibility and feeling empowered to do so.

- 6.12 The Task and Finish Group also identified that the Council should have a continued role in supporting networks of local provision to achieve economies of scale and to help develop the capacity and sustainability of partners and providers. This role might in future be commissioned from Shropshire Council by, for example, Town and Parish Councils and the Voluntary Community and Social Enterprise sector.
- 6.13 The investment in IT was identified to the Task and Finish Group as an essential step in helping the Council maximise the opportunities and benefits that technology can bring to the Council and people who want to contact the Council or who receive or use services. Getting the right systems in place could help automate processes and enable significant redesign of services.
- 6.14 In relation to ip&e, members of the Task and Finish Group heard that no assumptions had been made in relation to income generated by ip&e. They were informed that a review was underway which was taking account of current and likely future trading.
- 6.15 The Big Conversation started in November with a survey running until the 6 January 2016. The survey has been followed by focus groups, and will feed into action planning workshops. The survey results identify the following key points:
- A total of 2,271 survey responses were received
 - 77% respondents agree that the Council should combine services with other Council's and Public Sector organisations.
 - 53% agree with investing in IT to reduce staff costs
 - 62% agree that some services should be protected and others cut back to make savings
 - 61% agree to some extent that the Council should make more use of local residents and volunteers
 - 71% of respondents agree that communities should be enabled to do more for themselves
 - 32% of respondents are willing or very willing to contribute through participation or volunteering. Only 15% stated they were not willing to do so.
 - More than 55% of respondents agree that fees should be increased so that the costs of some services are largely paid for by the direct user.
 - 49% of respondents agreed with raising Council Tax compared to 34% who disagreed. 15% of respondents identified that they neither agreed or disagreed with increasing Council Tax.
- 6.16 The survey also sought to understand the perceived importance of services areas identified by people completing it:



7.0 Conclusions

- 7.1 The Council needs to achieve balanced budgets for 2016/17 and subsequent years. This is becoming increasingly challenging as the available funding reduces.
- 7.2 The current financial strategy should place more emphasis on increasing available funding, by all means available to the Council, rather than focusing solely on service reduction.
- 7.3 Based on the information and feedback provided, the Task and Finish group believe that there is a risk of slippage in the 2016/17 budget, and therefore implications for future budgets.
- 7.4 The reliance on one-off savings in the 2016/17 budget continues to be a concern, as this creates ongoing pressures for future budgets and highlights a lack of sustainability in the current operation.
- 7.5 The likely impact of the cuts to services to Shropshire residents remains unclear, even at this late stage of budget development.
- 7.6 National Government policy has shifted from no increases in Council Tax to local authorities generating income to cover all of their costs through Council

Tax and Business Rates. Information received by the Task and Finish group indicates that, should this be the final position, the Council will be a net loser in relation to income.

- 7.7 The Task and Finish Group supports the attempts to raise awareness nationally about the impact of cuts to Shropshire Council's budget. Lobbying Shropshire MPs, and nationally through the County Council Network and Local Government Association must continue to promote fairer funding for rural counties, and fairer funding for Adult Social Care. In addition, measures to mitigate the impact of freezing council tax over 7 years must be sought.
- 7.8 Innovative approaches have been identified to meet future budget requirements, with a great deal of reliance on Town and Parish Councils and VCS to provide services. The Council must maintain sufficient support to local delivery networks to ensure ongoing service provision, particularly where impacts to statutory services or quality of life for residents are identified.
- 7.9 There is a significant focus and reliance on reducing demand through changing behaviours. If this is to be a meaningful strategy for reducing expenditure, evidence based approaches should be rapidly developed to achieve change.
- 7.10 The value of preventative services was a common feature of the information shared by Directors and their senior managers. There is a significant risk of uncontrolled demand on budgets if preventative services are cut without regard to likely consequences. The Task and Finish group recognise this and believe qualitative and quantitative analysis of the benefits and impacts of preventative services needs to be undertaken to understand the implications of any changes in provision in order to help avoid any unforeseen or unplanned consequences.
- 7.15 The discussions with the Directors and their senior managers identified that partners can and do have an impact on the Council's ability to achieve its savings, and vice versa. It would be prudent to identify and develop opportunities for partners to pull together on appropriate service areas and pool budgets and explore and implement integrated commissioning to avoid duplication and maximise the reach and impact of resources.
- 7.16 The Council would benefit from a clearer stated Strategy for Change over the coming years, to define its future role under more austere conditions. Without a clearer sense of its purpose and role, the Council is at risk of losing knowledge, skills, expertise and assets in an uncontrolled manner which is unhelpful to its future endeavours.
- 7.17 Business rates are an important consideration, which are not fully addressed by the Financial Strategy due to a lack of information from central government. Nonetheless, it is clear that maximising business rates income must be an ongoing priority, and sufficient investment in understanding how this can be achieved is needed.
- 7.18 The timescales to consider the 2016/17 budget have been too short. The issues which need to be addressed and the significant changes to the way that services are delivered would benefit from an early start to look at the emerging plans for 2017/18 and 2018/19. This needs to begin as soon as possible.

- 7.19 It is clear that the financial strategy for 2017/18 and onwards is extremely challenging, and that current proposals for meeting a balanced budget may not be deliverable, particularly with regard to protection of vulnerable children and adults. Additionally, significant cuts to supporting and preventative services across all directorates may have impacts to the delivery of statutory duties, and to outcomes for Shropshire Residents. Work is ongoing to find ways of minimising the impacts of cutting expenditure.
- 7.20 Scrutiny needs to have an active and value adding role in this; taking an earlier view of the development of the proposals to deliver balanced budgets over future years. The Scrutiny Work Programme, can be structured around the Financial Strategy. The experience and knowledge developed through this activity should be used this to inform consideration of plans and proposals during the relevant Budget consultation period. This needs to be constructive and work with the relevant service areas, providing challenge as well as using the strengths of scrutiny such as engagement.

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

Financial Strategy 2016/17 to 2020/21 – Cabinet 9 December 2015

Cabinet Member (Portfolio Holder)

Michael Wood

Local Member

All

Appendices

Appendix 1 – Questions to Directors, Senior Managers, Chief Executive and Section 151 Officer

Appendix 2 – Questions to Portfolio Holders

Scrutiny Session with Directors, Senior Managers, Chief Executive and
Section 151 Officer

Monday 11 January 2016

Who?	Areas of focus and specific questions
Questions for all Directors	<ul style="list-style-type: none"> • Please can you explain the savings to be made in your Directorate? • Are the savings that have been identified realistic and achievable? • Please can you explain the unachievable savings for your Directorate? • What is the process that is followed to identify a saving? • What are the minimum levels we can operate, commission or enable to achieve the Mandatory and Discretionary services? • How have/will Mandatory and Discretionary services be reflected in the protected, maintained, temporary and decommissioned services categories? • What will services look like in the future? What will the impact of the savings be/what are they expected to be? • Have unforeseen impacts been identified associated with the proposals for 2016/17 and beyond, and how will they been managed?

Questions for the
Chief Executive
and Section 151
Officer

- If services are going to be decommissioned (stopped) in 2018/19 – why not generate the saving in 2017/18 or 2016/17 and make the savings earlier and ‘put the money in the bank’?
- Why is decommissioning tapered in the way it is?
- Are plans in place to avoid slippage in future years and has learning been identified and acted on to achieve this?
- What is the split of budget between Mandatory Services and Discretionary Services? (What proportion of the budget is allocated to Discretionary Services and roughly what proportion of the services that the Council provides would fit into this group?)
- What contribution is ip&e making to the savings?
- How many services within the temporary and decommissioned services are being moved to ip&e?
- How does the settlement and other recent announcements impact on the Financial Strategy Report?
- How have staff been involved in the development of the strategy and plans?
- How have service areas been identified within the four different categories in the Financial Strategy report?
- What services are within the three other categories that are not protected? How will the findings of the Big Conversation be used to inform or change this?

Questions to Portfolio Holders (Task and Finish Group Session – Wednesday 27 January 2016):

- What is your view and understanding of the key strategies to deliver savings in your portfolio?
- What are the expected impacts of the savings proposed in the Budget 2016/17 in your Portfolio?
- How does Commissioning relate to your portfolio?
- What is your understanding of how behaviours could be changed to deliver savings in your areas of responsibility to reduce demand for services and enable communities and people to do more for themselves? How confident are you that this will be successful?
- What opportunities are there to work together across the Council and with partners to commission services and outcomes to maximise the benefit achieved?



Committee and Date

Cabinet
10th February 2016

Responsible Officer James Walton

e-mail: james.walton@shropshire.gov.uk

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ESTIMATED COLLECTION FUND OUTTURN FOR 2015/16

1. Summary

- 1.1 Shropshire Council is required by statute to maintain a Collection Fund separate from the General Fund of the Council.
- 1.2 The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to calculate a Council Tax Collection Fund estimate by 15th January each year.
- 1.3 In previous years this only related to Council Tax, but following changes to Business Rates (NDR) legislation, a similar calculation is also now required for NDR. The Non-Domestic Rating (Rates Retention) Regulations 2013 require the Council as the Billing Authority to calculate a Non-Domestic Rates (NDR) Collection Fund estimate on or before 31st January each year.
- 1.4 The purpose of this report is to advise Cabinet of the estimated Collection Fund surpluses/deficits for 2015/16, calculated as at the 15th January 2016 for Council Tax and as at 31st January 2016 for NDR, for the year ending 31st March 2016.
- 1.5 The report also determines the respective shares of the estimated surpluses/deficits notifiable to the major precepting authorities.

2. Recommendations

Members are asked:

- 2.1 To note the overall Collection Fund estimated deficit of £12.099m for the year ending 31st March 2016, comprised of an estimated surplus of £3.664m for Council Tax and an estimated deficit of £15.763m for Non-Domestic Rates (NDR).
- 2.2 To note the distribution of the Collection Fund estimated surplus and deficit for Council Tax and NDR respectively to the major / relevant precepting authorities and the Secretary of State.
- 2.3 To note Shropshire Council's share of the overall estimated deficit of £2.974m, comprised of an estimated surplus of £2.987m for Council Tax and an estimated deficit of £5.961m for NDR.
- 2.4 To note the inclusion of Shropshire Council's share of the overall estimated deficit in the 2016/17 budget.

REPORT

3. Background

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority the Council is required by legislation to estimate the surplus or deficit for each financial year on the Collection Fund.
- 3.2 Prior to 2013/14 this estimate was only required for Council Tax. However, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NDR is collected and distributed via the Collection Fund (distribution of NDR had previously been managed nationally). Local Authorities as a result took on an additional level of risk and uncertainty of NDR funding.
- 3.3 In a similar way to Council Tax precepts from the Collection Fund, NDR precepts are now fixed prior to the start of a financial year and any variations from this realised through the Collection Fund in year are distributed in the following two financial years (based on estimated in the following year and actuals in the subsequent year).
- 3.4 The Collection Fund is a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for:
- **Income into the Fund:** The Fund is credited with the amount of receipts of Council Tax and NDR it collects.
 - **Payments out of the Fund:** In relation to Council Tax payments are made to the Council, the two major precepting authorities (West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority) and the local preceptors (parish and town councils). In relation to NDR payments are made to the Council, the Secretary of State and the single relevant precepting authority (Shropshire & Wrekin Fire Authority).
- 3.5 The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to calculate a Collection Fund estimate by 15th January each year for Council Tax. The Non-Domestic Rating (Rates Retention) Regulations 2013 require the Council as the Billing Authority to calculate a Collection Fund estimate by 31st January each year for NDR. Both estimates relate to the Collection Fund Income and Expenditure Account for the year ending 31st March and the impact of this on the Collection Fund Balance.

4. 2015/16 Estimated Surplus / Deficit for Council Tax

- 4.1 The forecast of the Council Tax Collection Fund Balance for the year ending 31st March 2016 shows a forecast surplus of £3.664m based on figures as at 15th January 2016. This is comprised of an in year estimated surplus of £3.805m and an adjustment for the previous year's actual surplus of £0.141m. The estimated surplus on the Council Tax Collection Fund is due to a combination of factors including the actual collection rate and variations in discounts and exemptions which affect the total Council Tax liability. The year end estimated surplus is distributed to the major precepting authorities in proportion to the current year demands and precepts on the Collection Fund. The percentages are likely to change each year due to different inflationary adjustments being applied by the major precepting authorities.

- 4.2 The detailed determination of the estimated Council Tax Collection Fund surplus for 2015/16 is shown in Appendix A and the allocation of the estimated surplus to each of the major precepting authorities is summarised in Table 1 on page 4.

5. 2015/16 Estimated Surplus / Deficit for Non-Domestic Rates (NDR)

- 5.1 The forecast of the Non-Domestic Rates Collection Fund Balance for the year ending 31st March 2016 shows a forecast deficit of £15.763m based on figures as at 31st January 2016. This is comprised of an in year estimated deficit of £9.753m and an adjustment for the previous year's actual deficit of £6.010m.
- 5.2 The in year deficit on the Business Rates Collection Fund is primarily attributable to a significant increase in the appeals provision as a result of two occurrences: Business Rates appeals currently lodged with the Valuation Office Agency in relation to surgeries and health centres and a request for mandatory business rates relief submitted to the Council on behalf of NHS trusts.
- 5.3 These two occurrences, together with other additional appeals and losses on appeals incurred during the year, have resulted in the need to increase the provision by £5.797m. The remaining in year deficit of £3.957m is due to differences between the latest position in relation to business rates income and the original estimate. As previously noted business rates income is volatile and depends on a number of factors which are difficult to predict.
- 5.4 The NHS trusts submissions for mandatory business rates relief is a national issue and the Council is currently considering its position.
- 5.5 The year end estimated deficit is distributed to the Secretary of State and relevant precepting authorities in proportion to the current year demands and NDR payments on the Collection Fund. The percentages are fixed in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013.
- 5.6 An exception to this distribution method exists, however, in relation to Business Rates income from renewable energy projects. This income is retained in full by the Billing Authority and as such the income is disregarded from calculations in the rates retention scheme. The total amount of business rates income resulting from a new renewable energy project is disregarded. In 2014/15 and 2015/16 income from Renewable Energy Schemes (RES) was £2.184m and £1.272m respectively. Income from RES received in 2014/15 was not identified at the time that the 2014/15 Business Rates Collection Fund estimate was determined and, consequently, the income was not distributed in 2015/16. Therefore, the 2015/16 Business Rates Collection Fund estimate includes a total of £3.456m to be retained in full by Shropshire Council as the billing authority.
- 5.7 The introduction of the Business Rates Retention Scheme from April 2013 has increased uncertainty and volatility in Council funding. The estimation of the NDR base each January now sets the amount of NDR to be distributed from the Collection Fund to preceptors in the following year. Any variances to the base during the year will be borne by the Collection Fund and distributed to preceptors in future years through the declaration of a surplus or deficit on the fund.

- 5.8 The detailed determination of the estimated Business Rates Collection Fund deficit for 2015/16 is shown in Appendix B and the allocation of the estimated deficit to the Secretary of State and the relevant precepting authorities is summarised in Table 1 below.

Table 1: Distribution of the 2015/16 Estimated Collection Fund (Surplus) / Deficit

	Council Tax	NDR	Total
	£m	£m	£m
Secretary of State	-	9.610	9.610
Shropshire Council	(2.987)	5.961	2.974
West Mercia Police & Crime Commissioner	(0.453)	-	(0.453)
Shropshire & Wrekin Fire Authority	(0.224)	0.192	(0.032)
Total Estimated (Surplus) / Deficit	(3.664)	15.763	12.099

- 5.9 Shropshire Council's share of the overall estimated Collection Fund deficit has been incorporated into the 2016/17 budget.
- 5.10 The Secretary of State and major / relevant precepting bodies were notified of these surpluses / deficits on 5th February 2016.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Human Rights Act Appraisal None.
Environmental Appraisal None.
Risk Management Appraisal <p>Estimation of the Council Tax Collection Fund surplus or deficit is a well understood process and any potential for error is mitigated to a large extent by adhering to the relevant legislation. However, small variations in collection rate or changes in the taxbase can have a significant financial impact.</p> <p>Estimation of the Non-Domestic Rates Collection Fund surplus or deficit is a comparatively new process for local authorities and a degree of variance on the Collection Fund under the new system should be anticipated.</p>
Community / Consultations Appraisal None.
Cabinet Member Malcolm Pate, Leader of the Council.
Local Member N/A.
Appendices Appendix A: Shropshire Council 2015/16 Council Tax Estimated Collection Fund Account Appendix B: Shropshire Council 2015/16 Non-Domestic Rates Collection Fund Account

		APPENDIX A
SHROPSHIRE COUNCIL 2015/16 ESTIMATED COUNCIL TAX COLLECTION FUND ACCOUNT		
	(Estimate As At 15th January 2016)	
2014/15		2015/16
Actual		Estimate
£'000		£
	Income	
154,576	Council Tax Income	158,171,181
	Transfers From General Fund	
(3)	- Transitional Relief	(2,186)
154,573	Total Income	158,168,995
	Expenditure	
	2015/16 Precepts	
117,025	Shropshire Council	119,280,524
18,314	West Mercia Police & Crime Commissioner	19,038,714
9,085	Shropshire & Wrekin Fire Authority	9,444,373
5,908	Parish / Town Councils	6,306,679
	Bad & Doubtful Debts	
(277)	Write Offs	(101,159)
650	Increase in Bad Debt Provision	394,892
150,705	Total Expenditure	154,364,023
(3,868)	Surplus (-) / Deficit (+) For Year	(3,804,972)
	Impact on Collection Fund Accumulated Surplus	
(3,514)	Accumulated Surplus (-) / Deficit (+) Brought Forward	(4,920,334)
2,461	Distribution of prior year estimated surplus	5,060,852
(3,868)	Surplus (-) / Deficit (+) for Year	(3,804,972)
(4,920)	Estimated Accumulated Surplus Carried Forward	(3,664,454)
	Distribution of Estimated Collection Fund Surplus	
(4,138)	Shropshire Council	(2,987,003)
(617)	West Mercia Police & Crime Commissioner	(452,823)
(306)	Shropshire & Wrekin Fire Authority	(224,628)
(5,061)		(3,664,453)

					APPENDIX B
SHROPSHIRE COUNCIL ESTIMATED BUSINESS RATES COLLECTION FUND ACCOUNT					
(Estimate As At 31st January 2016)					
2014/15		2015/16	2015/16	2015/16	
Actual		Total	Estimate	Estimate	
		Estimate	Excluding	Renewable	
			Renewable	Energy	
			Schemes	Schemes Only	
£'000		£	£	£	
	Income				
76,294	Business Rates Income	76,162,092	74,889,953	1,272,139	
(257)	Transitional Protection	375,364	375,364	-	
76,037	Total Income	76,537,457	75,265,318	1,272,139	
	Expenditure				
	2015/16 Payments to Major Preceptors				
38,170	Central Government	39,965,475	39,965,475	-	
37,406	Shropshire Council	39,166,166	39,166,166	-	
763	Shropshire & Wrekin Fire Authority	799,309	799,309	-	
464	Cost of Collection Allowance	463,056	463,056	-	
	Bad & Doubtful Debts				
(760)	Write Offs	(280,777)	(280,777)	-	
703	Increase in Bad Debt Provision	381,017	381,017	-	
	Appeal Losses & Provision				
(1,993)	Losses	(2,907,076)	(2,907,076)	-	
8,122	Increase in Appeal Provision	8,703,742	8,703,742	-	
82,876	Total Expenditure	86,290,913	86,290,913	-	
6,839	Surplus (-) / Deficit (+) For Year	9,753,456	11,025,595	(1,272,139)	
	Impact on Collection Fund Accumulated Surplus				
3,089	Accumulated Surplus (-) / Deficit (+) Brought Forward	7,916,484	10,100,841	(2,184,357)	
(2,011)	Distribution of prior year estimated surplus / deficit	(1,906,226)	(1,906,226)	-	
6,839	Surplus (-) / Deficit (+) for Year	9,753,456	11,025,595	(1,272,139)	
7,916	Estimated Accumulated Surplus Carried Forward	15,763,714	19,220,210	(3,456,496)	
	Distribution of Estimated Collection Fund Surplus				
953	Central Government	9,610,105	9,610,105	-	
934	Shropshire Council	5,961,407	9,417,903	(3,456,496)	
19	Shropshire & Wrekin Fire Authority	192,202	192,202	-	
1,906		15,763,714	19,220,210	(3,456,496)	

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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