



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

Date: Tuesday, 2 December 2014

**Committee:
Cabinet**

Date: Wednesday, 10 December 2014

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

Keith Barrow (Leader)
Ann Hartley (Deputy Leader)
Tim Barker
Karen Calder
Lee Chapman
Steve Charmley
Mike Owen
Malcolm Price
Claire Wild

Deputy Members of Cabinet

Peter Adams
Nick Bardsley
Robert Macey
Robert Tindall
David Turner
Les Winwood
Tina Woodward

Your Committee Officer is:

Penny Chamberlain Principal Committee Officer

Tel: 01743 252729

Email: penny.chamberlain@shropshire.gov.uk

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31ST October 2011

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 - 6)

To approve as a correct record the Minutes of the meeting held on 15 October 2014, attached marked 3.

Contact – Penny Chamberlain (01743 252729)

4 Public Questions

To receive any public questions, statements or petitions from the public, notice of which has been given in accordance with Procedure Rule 14.

5 Matters Referred from Scrutiny/Council

6 Reports of Scrutiny Committee (Pages 7 - 26)

Performance Management Scrutiny Committee: Public Services Network (PSN) Task and Finish Group

Report of the Head of Customer Involvement is to follow.

Contact – Nigel Bishop – 01743 258677

7 Reports of Scrutiny Committees (Pages 27 - 32)

Performance Management Scrutiny Committee: Scrutiny of the Delivery of the Business Plan and Financial Strategy: Summary of the Feedback from the Scrutiny Committees

Report of the Performance Manager is attached, marked 7.

Contact – Tom Dodds – 01743 253068

8 Financial Strategy 2015/15 to 2017/18

Lead Member – Mr Mike Owen, Portfolio Holder for Resources, Finance and Support.

Report of the Head of Finance, Resources and Governance (Section 151 Officer) is to follow.

Contact – James Walton – 01743 255011

9 Treasury Management Update - Quarter 2 2014/2015 (Pages 33 - 50)

Lead Member – Mr Mike Owen, Portfolio Holder for Resources, Finance and Support.

Report of the Head of Finance, Resources and Governance (Section 151 Officer) is attached, marked 9.

Contact – James Walton – 01743 255011

10 Treasury Strategy 2014/2015 - Mid Year Review (Pages 51 - 56)

Lead Member – Mr Mike Owen, Portfolio Holder for Resources, Finance and Support.

Report of the Head of Finance, Resources and Governance (Section 151 Officer) is attached, marked 10.

Contact – James Walton – 01743 255011

11 Setting the Council Tax Taxbase for 2015/2016

Lead Member – Mr Mike Owen, Portfolio Holder for Resources, Finance and Support.

Report of the Head of Finance, Resources and Governance (Section 151 Officer) is to follow.

Contact – James Walton – 01743 255011

12 Quarter 2 Performance Report 2014/2015

Lead Member – Mr Tim Barker, Portfolio Holder for Performance.

Report of the Performance Manager is to follow.

Contact – Tom Dodds – 01743 253068

13 Shropshire Schools Funding Formula 2015/2016 (Pages 57 - 96)

Lead Member – Mrs Ann Hartley, Portfolio Holder for Children's Services.

Report of the Director of Children's Services is attached, marked 13.

Contact – Karen Bradshaw – 01743 252407

14 Local Joint Committees - Update on Youth Commissioning and Boundaries (Pages 97 - 106)

Report of the Director of Commissioning is attached, marked 14.

Contact – George Candler – 01743 255003

15 Shropshire Council Adult Social Care - Local Account 2013/14 (Pages 107 - 146)

Lead Member – Portfolio Holder for Adult Services, Mr Lee Chapman

Report of the Director of Adult Services is attached, marked 15.

Contact – Stephen Chandler – 01743 255036

16 Exclusion of Press and Public

To RESOLVE 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 during consideration of the remaining items.

17 Shropshire Council Small Holding Estate (Pages 147 - 180)

Lead Member – Mr Mike Owen, Portfolio Holder for Resources, Finance and Support.

Exempt report of the Head of Commercial Services is attached, marked 17.

Contact – Steph Jackson – 01743 253861

18 Marches Local Enterprise Partnership Local Growth Fund and Priority Projects (Pages 181 - 196)

Lead Member – Mr Steve Charmley, Portfolio Holder for Business, ip&e and Commissioning (North).

Exempt report of the Head of Business Growth and Prosperity is to follow.

Contact – Andy Evans – 01743 252503

19 Connecting Shropshire - Phase 2 Procurement

Lead Member – Mr Steve Charmley, Portfolio Holder for Business, ip&e and Commissioning (North).

Report of the Head of Business Growth and Prosperity is to follow.

Contact – Andy Evans – 01743 252503

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Committee and Date

Cabinet
10 December 2014

12.30 pm

CABINET

Minutes of the meeting held on 15 October 2014

In the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

12.30 - 1.15 pm

Responsible Officer: Penny Chamberlain

Email: penny.chamberlain@shropshire.gov.uk Tel: 01743 252729

Present

Councillor Keith Barrow (Chairman)

Councillors Ann Hartley (Deputy Leader), Tim Barker, Gwilym Butler, Karen Calder, Lee Chapman, Steve Charmley, Mike Owen, Malcolm Price and Claire Wild

43 Apologies for Absence

43.1 There were no apologies for absence.

44 Disclosable Pecuniary Interests

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

45 Minutes

45.1 RESOLVED:

That the Minutes of the meetings held on 30 July 2014 and 3 September 2014 be approved as a correct record and be signed by the Leader.

46 Public Questions

46.1 No public questions, petitions or statements had been received.

47 Matters Referred from Scrutiny Council

47.1 There were no matters referred from Scrutiny/Council.

48 Reports of Scrutiny Committee

48.1 The Portfolio Holder for Finance, Resources and Support introduced a report by the Head of Customer Involvement – copy attached to the signed minutes – on the final report by the Discretionary Housing Payments Task and Finish Group following the

endorsement of its recommendations by the Performance Management Scrutiny Committee at its meeting on 11th June 2014. In commenting on the challenge facing the Council in endeavouring to ensure that maximum payments were made to local tenants in need without overspending on the sum provided by Government, he indicated his support for the Group's recommendations as being the best approach to be taken for Shropshire.

48.2 The Leader tendered the apologies of the Chairman of the Task and Finish Group for the meeting and in his absence invited the Vice-Chairman to comment on the report. During his presentation the Vice-Chairman referred to the cross party member representation on the Group and emphasised their overwhelming support for all the recommendations set out in the final report.

48.3 During the ensuing discussion a Member commented that recommendation 6 ought to be amended to exclude Disability Living Allowances (DLAs) from the overall calculation at the present time to ensure the needs of disabled tenants were being met rather than wait for the matter to be considered again in the 6 month review. He indicated that this supported a minority report from the scrutiny meeting and would increase the number of disabled tenants eligible to receive financial assistance whilst allowing the matter to be considered in more depth in the review.

48.4 In turn the Portfolio Holder for Planning, Housing and Commissioning (Central) indicated that the Council's approach to the payments needed to be considered alongside other wider benefits issues. In expressing support for recommendation 6 as set out in the report at this stage, he did however suggest that it would be useful at the review to receive the costings and implications for the Council in order for further detailed consideration to be given as to whether or not to exclude the DLAs from the calculations at a future date. The Vice-Chairman of the Group re-iterated the intention of the Group to consider the matter again at their 6 month review.

48.5 **RESOLVED:**

(a) That the Discretionary Housing Payments Policy be reviewed taking into consideration the recommendations from the Task and Finish Group as detailed in its report.

(b) That the proposed policy document be brought back to Cabinet on 10th December 2014 for approval prior to formal consultation.

49 **Revenue Monitoring Report - Quarter 2 2014/15**

49.1 The Portfolio Holder for Finance, Resources and Support presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed minutes – which set out the Revenue Forecast for 2014/15 as at Quarter 2, and identified the current projections on delivery of savings included within the forecast.

49.2 **RESOLVED:**

(a) That it be noted that at the end of Quarter 2 (29 August 2014), the full year forecast was a potential overspend of £1.603m.

- (b) That the impact of this on the Council's General Fund Balance be noted.
- (c) That approval be given to credit notes for £113,425 and £162,000 being raised against sales ledger account S1/00587 in order to correct duplicate and incorrect debts within the account for care costs.

50 Capital Monitoring Report Quarter 2 2014/15

50.1 The Portfolio Holder for Finance, Resources and Support presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed minutes – on the current position for the Council's 2014/15 to 2017/18 capital programme taking into account the latest monitoring information on the progress of the schemes, any necessary budget increases and decreases and the re-profiling of budgets between 2014/15 and future years.

50.2 RESOLVED:

- (a) That approval be given to net budget variations of £1.3m to the 2014/15 capital programme, detailed in Appendix 1/Table 1 and the re-profiled 2014/15 capital budget of £69.6m. Including new allocations of capital receipt funding as follows:
 - The Tannery Building Refurbishment Shrewsbury Hub £511,000;
 - Smallholding Refurbishment £149,940; and
 - Theatre Severn – Digital Projector £38,500.
- (b) That approval be given to the re-profiled capital budgets of £22.3m for 2015/16 and £5.3m for 2016/17 as detailed in Appendix 1/Table 4.
- (c) That the expenditure to date of £14.9m, representing 21.4% of the revised capital budget for 2014/15, with 42% of the year having elapsed, be accepted.

51 Quarter 1 2014/15 Performance Report

51.1 The Portfolio Holder for Performance presented a report by the Performance Manager – copy attached to the signed minutes – on the performance of the Council during the first quarter of 2014/15. The report had been produced based on the new performance management framework and reporting methodology.

51.2 RESOLVED:

That, after having considered the key underlying and emerging issues in the reports and appendices and whether there were any performance areas which they would like to consider in greater detail or refer to the appropriate Scrutiny Committee, the report of the Performance Manager be noted.

52 Exclusion of Press and Public

52.1 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 items:

- Exempt Minutes of Cabinet held on 30 July 2014 and 3 September 2014 (Minute 53 refers); and
- Ip&e Ltd – Business Plan – Appendix only (Minute 54 refers).

(NB: Following the initial dispatch of the agenda with the report in relation to the ip&e Ltd Business Plan marked to follow, it was subsequently determined on the finalisation of the report that it could be considered in the public part of the meeting. However the appendix contained commercially sensitive information and was considered during the exempt part of the meeting. See Minute 54 below.)

53 Exempt Minutes

53.1 RESOLVED:

That the Exempt Minutes of the meetings of Cabinet held on 30 July 2014 and 3 September 2014 be approved and be signed by the Leader.

54 ip&e Ltd - Business Plan

Open public part of the meeting

54.1 The Portfolio Holder for Business Growth, ip&e and Commissioning (North) presented a report by the Chief Executive – copy attached to the signed minutes – on the annual business plan being prepared for ip&e Limited which set out the company's activities for the next financial year and the wider three year plan. The Council and ip&e Limited were obliged to work together to reach an agreed signed Business Plan by the end of the following January to enable it to be approved by Cabinet in February as part of the Council's Business Plan and Financial Strategy.

54.2 During the ensuing discussion a Member sought confirmation as to the current number of employees in ip&e and also referred to the loan facility of £500,000, of which £92,000 had currently been drawn down by ip&e and to the fact that under the current terms of the loan the principal and accrued interest was due to be repaid by the end of March 2015. In response to his request for details of any further activity on the loan facility the Leader indicated that he could not recall any recent transactions but that a written answer would be sent to him on the matter.

54.3 RESOLVED:

That Cabinet delegate authority to the Chief Executive in consultation with the Leader of the Council and the Portfolio Holder for Business Growth, ip&e and Commissioning (North) to agree any subsequent changes to ip&e Limited's Business Plan to enable it to be in an agreed form by 31 January 2015.

Exempt non-public part of the meeting (See Minute 52 above)

54.4 The Portfolio Holder for Business Growth, ip&e and Commissioning (North) presented the exempt Appendix to the public report of the Chief Executive – copy attached with the exempt Cabinet minutes and reports – on the draft ip&e Limited’s Business Plan for 2014 to 2017.

Signed (Leader)

Date:

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Cabinet – 10 December 2014 – Scrutiny of the delivery of the business plan and financial strategy



Committee and Date
Cabinet 10th December 2014
12.30 pm

Item
7
Public

Scrutiny of the delivery of the Business Plan and Financial Strategy 2014/15: Summary of the feedback from the Scrutiny Committees

Summary

This paper presents Cabinet with a summary of the feedback from the Scrutiny Committees following their consideration of progress in delivering the Council's Business Plan and Financial Strategy during 2014/15.

Recommendation

- A. That Cabinet (and Directors) consider the feedback from the Scrutiny Committees and take it into account in the revision and any refocusing of the Business Plan and Financial Strategy.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 There are a wide range of risks associated with failure to deliver the Business Plan and the Financial Strategy. These range from the Council not being able to balance its budget, through to potential risk to service users and vulnerable people as service change.
- 3.2 Through completing their work programmes and specific consideration of the progress in delivering them, the Scrutiny Committees aim to help reduce the level of risk and support their management.

4. Financial Implications

- 4.1 The delivery of the Business Plan is directly linked to the delivery of the Council's Financial Strategy. Although this report does not have any direct financial implications, the work of the Scrutiny Committees will include making recommendations that may have financial implications if accepted.

5. Overall summary of feedback from the Scrutiny Committees

5.1 Following detailed consideration of progress in delivering the Business Plan and Financial Strategy by each of the Scrutiny Committees, the following points were summarised and agreed by the Performance Management Scrutiny Committee. The summary of the feedback from each Scrutiny Committee are set out in Appendix 1.

- There is general satisfaction with the levels of savings identified as achieved and expected to be achieved, [based on the most recent reports and data available].
- Members expressed caution at the use of one-off savings to deliver the 2014/15 savings, recognising the implications for finding additional savings in future years to achieve on-going budgets.
- Members recognise that salami slicing from budgets is no longer possible and endorse the redesign of services. Specific mention was made about the need for a radical redesign of Transport.
- Areas of concern that were highlighted by Members include
 - Increasing demand on Children’s Social Care Services (especially Looked After Children) and Adult Social Care
 - Implications for the Council arising from national legislative changes such as the Care Act.

5.2 There was also a minority recommendation:

- We are concerned that given the new zero based budget we still have a number of red areas identified where savings have not been found, plus that one off savings are being found and used by the Council.
- We were disappointed that only one Cabinet member was in attendance for the scrutiny of the Council’s Business Plan and Financial Strategy.

6. Conclusion

6.1 The Scrutiny Committee work programmes are directly linked to the Councils Business Plan. The Committees work both proactively to support and inform change, and they also work to understand the impact of change on communities and people who use the services.

6.2 The process of reviewing the progress with the Business Plan and Financial Strategy has identified further work programme topics. Therefore, although the Scrutiny Committees take a view of overall progress at specific points during the year, they are always looking at and contributing to the delivery of the Business Plan and Financial Strategy, and holding the decision makers to account.

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

- Business Plan and Financial Strategy 2014 – 2017 (Council – 27 February 2014)
- Q1 Performance Report (Cabinet – 15 October 2014)
- Q1 Financial Strategy Report (Cabinet 30 July 2014)
- Q2 Revenue Monitor Report (Cabinet – 15 October 2014)
- Outcome Performance Dashboards – (Performance Management Scrutiny Committee – 5 November 2014, and subsequently at all Scrutiny Committees)

Cabinet Member (Portfolio Holder)

All

Local Member

All

Appendices

Appendix 1 – Summary of feedback from Scrutiny Committees

Appendix 1

Summary of feedback from individual committees

Enterprise and Growth Scrutiny Committee

- Areas of interest presented to the Committee included Economic Growth, Public Protection, Transport and Housing. The majority of savings for 2014/15 were confirmed as attainable (green) by Finance, with 2015/16 rated as green-amber, and 2016/17 rated amber-red.
- Savings from Housing have been made in 2014/5, but will be more challenging in 2015/16 and 2016/17.
- Members sought confirmation that savings from the Tourist Economy would not result in a diminished service, and voiced their interest and support for the work on Economic Growth and that it should be a priority in the 2015/16 refresh of the Business Plan.
- Members also drew attention to the important of identifying, avoiding and managing unintended consequences arising from changes in one area affecting another, or on the ability to deliver planned savings.
- Questions were also raised in terms of levels of consultation about the closure of buildings and services.

Environment and Services Scrutiny Committee

- The overall good progress in delivering the savings during 2014/15 that fall within the remit of the Committee was noted.
- Members recognised that a greater proportion of savings marked for delivery in 2015/16 and 2016/17 were rated as amber and red,
- Waste (including the Veolia Contract renegotiation) and the redesign of culture and leisure services including Libraries, the Serco Contract, Quarry Swimming and Fitness Centre were highlighted by the Members as being of particular interest and priority for 2015/16 onwards.

Additional Work Programme items identified:

- Libraries – visit to Craven Arms
- Condition of Highways
- Quarry Swimming and Fitness Centre
- Part-night lighting (12 months on)

Young People's Scrutiny Committee

Children's Safeguarding and Social Care

- The Committee recognised the on going challenges related to increasing demand and the cost of Looked After Children (LAC), and the progress during the year with the majority of 2014/15 savings secure.
- The three areas of focus: Early Help, Child Protection Thresholds, and LAC, had seen development, but that savings identified for 2014/15 would not all be realised during the year and would be added to the 2015/16 savings.
- 2015/16 areas of focus build on work started in 2014/15 such as redesigning internal residential resources and re-commissioning residential contracts, and

also includes developing targeted early help for adults and children, integrating how services are provided and aiming to improve accessibility, and a multiagency response for child sexual exploitation.

Learning and Skills

- The majority of 2014/05 savings are expected to be delivered with the significant focus of the work has involved redesigning and reshaping services to reflect the changing role of the Council and meet future demands.
- Preparing to deliver Education Improvement, Education Access and 14-19 teams and traded services through Inspire to Learn; transitioning into ip&e.
- National reforms with new statutory functions for Special Education Needs (SEND) have been met by redesigning roles, responsibilities and ways of working across the 0-25 age range. These reforms will continue in 2015/16.

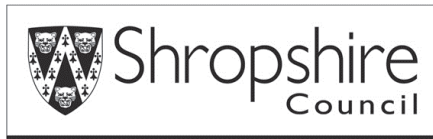
Health and Adult Social Care Scrutiny Committee

- A backdrop of changing demand and legislative developments such as the Care Act were recognised as challenges by the Committee.
- Nationally specified initiatives such as the Better Care Fund also provide the Council with opportunities to develop closer working with GPs and Health, which will help with designing and implementing new ways of working to help people remain independent for longer, and different models of support when they do require funded services.
- A significant area of work during the year that has made good progress was the introduction of the New Operating Model (NOM) for Adult Social Care which involves a new type of conversation with people contacting the Council about Adult Social Care and seeks to get them the right information, advice, support or service as quickly as possible.
- All contracts are being considered to identify potential for review with providers. This includes the Quality in Community Services (QuICS) PFI contracts, where the Council is trying to get assurance from the Department of Health that the PFI credits the Council receives will not be reduced should the contract change. To date this hasn't been forthcoming, which is impacting on delivering the related savings.
- Perhaps the biggest challenge for Adult Social Care (and the wider Council), will be meeting the changes and implications of the Care Act which is being introduced over the coming 24 months. There is likely to be more people who will look to the Council for information, advice, support or services and the Council is working to be able to respond to this.
- There are also key areas of work taking place including Children and Young People's services, Health and Housing to develop and implement integrated models through the Resilient Communities work.

Performance Management Scrutiny Committee

- The role of Resources and Support Directorate was recognised as fulfilling a key role in enabling the Council to change and deliver its Business Plan and the Financial Strategy.

- The challenges in delivering the plans for Accommodation Plans for the Council were raised. The Committee are planning to meet with the Accommodation Group and understand the new Accommodation Strategy.
- It was recognised that it will be important for the Council to maximise the opportunities to generate income/revenue from its capital assets, especially in light of the reported and expected further reductions in funding expected beyond the current Comprehensive Spending Review period and in the new Government.
- The Committee's work programme includes understanding How the Council is enabling Mobile and Flexible working, which is expected to take a full view across a range of the services and support provided across the Council.

**Committee and Date**

Cabinet
10 December 2014

12.30 pm

Item

9

Public

TREASURY MANAGEMENT UPDATE – QUARTER 2 2014/15

Responsible Officer James Walton

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

Tel: (01743) 255011

1. Summary

- 1.1. The report outlines the treasury management activities of the Council in the last quarter. It highlights the economic environment in which treasury management decisions have been made and the interest rate forecasts of the Council's Treasury Advisor, Capita Asset Services. It also updates Members on the internal treasury team's performance.
- 1.2. During the second quarter of 2014/15 the internal treasury team achieved a return of 0.57% on the Council's cash balances outperforming the benchmark by 0.27%. This amounts to additional income of £101,925 during the quarter which is included within the Council's projected outturn position in the monthly revenue monitor.

2. Recommendations

- 2.1. Members are asked to accept the position as set out in the report.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.2. There are no direct environmental, equalities or climate change consequences arising from this report.
- 3.3. Compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Policy Statement and Treasury Management Practices and the Prudential Code for Capital Finance together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and the potential for financial loss.

4. Financial Implications

- 4.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation, or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions result in increased or reduced income for the Council.
- 4.2. The Quarter 2 performance is above benchmark and has delivered additional income of £101,925 which will be reflected in the Period 6 Revenue Monitor.
- 4.3. The Council currently has £135m held in investments as detailed in Appendix A and borrowing of £338m at fixed interest rates.

5. Background

- 5.1. The Council defines its treasury management activities as "the management of the authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council between 1 July 2014 and 30 September 2014.

6. Economic Background

- 6.1. After strong UK Gross Domestic Product (GDP) growth of 0.8%, 0.7% and 0.7% in the last three quarters and 0.9% in the first quarter of 2014, it appears very likely that strong growth will continue into 2014 as forward looking indicators are looking encouraging. This strong growth has resulted in unemployment falling much faster through the threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate.
- 6.2. Also encouraging has been the sharp fall in Inflationary pressures. Consumer Price Inflation (CPI) fell to 1.5% in July, its lowest rate since 2009. Recent developments, including falls in producer price inflation and very weak wages growth, suggest that CPI is likely to fall further in 2014 to possibly 1%.
- 6.3. The Monetary Policy Committee (MPC) voted to keep official interest rates on hold at 0.5% during the quarter and voted not to increase its programme of asset purchases under the Bank's quantitative easing (QE) programme at its September meeting with the majority citing reasons such as declines in manufacturing, exports and housing activity, in conjunction with the weaknesses within the Eurozone for holding rates at their historic low. The MPC minutes further reiterated the split in their decision though with two policymakers voting to raise rates to 0.75% for the second successive month.
- 6.4. In September, the Federal Reserve continued with its monthly \$10 billion reductions in asset purchases. Asset purchases have now fallen from \$85

billion to \$15 billion and are expected to cease completely in October 2014 providing strong economic growth continues in the US this year.

6.5. Meanwhile, the Eurozone is facing an increasing threat from deflation. In September, the inflation rate fell further, to reach 0.3%. However, this is an average for all Eurozone countries and includes some countries with negative rates of inflation. Accordingly, the European Central Bank (ECB) did take some rather limited action in June and September to loosen monetary policy in order to promote growth.

7. Economic Forecast

7.1. The Council receives its treasury advice from Capita Asset Services. Their latest interest rate forecasts to 31 March 2018 are shown below:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

7.2. Capita undertook a review of its interest rate forecasts in mid-August following the issue of the latest Bank of England Inflation Report. By the beginning of September, a further rise in geopolitical concerns, principally over the Ukraine but also over the Middle East, has caused a further flight into safe havens like gilts and depressed PWLB rates further. Their latest forecast which was updated on the 24 October 2014 now includes a first increase in Bank Rate to be in June 2015 instead of March 2015 as previously reported as a result of the latest MPC minutes which revealed an increase in caution over UK growth prospects and an increase in concern that we could be heading into an era of subdued inflation with a greater risk that the Eurozone could be heading into deflation.

7.3. Long term PWLB rates are expected to rise to 4.50% in March 2016 before steadily increasing over time to reach 5% by 31 March 2018 due to the high volume of gilt issuance in the UK, and the bond issuance in other major western countries.

7.4. As the threat of potential risks from a number of sources still remains, caution must be exercised in respect of all interest rate forecasts at the current time. Negative developments on the geo-political front as well as any fresh issues regarding the Eurozone related sovereign debt crisis could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from Capita's central interest rate forecasts.

8. Treasury Management Strategy

- 8.1. The Treasury Management Strategy (TMS) for 2014/15 was approved by Full Council on 27 February 2014. The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital.
- 8.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (up to 1 year), and only invest with highly credit rated financial institutions using the Capita's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita. The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations. This approach has been endorsed by our external advisors, Capita.
- 8.3. In the second quarter of 2014/15 the internal treasury team outperformed its benchmark by 0.27%. The investment return was 0.57% compared to the benchmark of 0.30%. This amounts to additional income of £101,925 during the quarter which is included in the Council's projected outturn position in the monthly revenue monitor. The Internal Treasury team made loans totalling £102 million during the quarter and £93 million was repaid during the quarter.
- 8.4. A full list of investments held as at 30 September 2014, compared to Capita's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown in Appendix A. None of the approved limits within the Annual Investment Strategy were breached during the second quarter of 2014/15. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.
- 8.5. As illustrated in the economic background section above, investment rates available in the market are at an historical low point. The average level of funds available for investment purposes in the second quarter of 2014/15 was £151 million.

9. Borrowing

- 9.1. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the second quarter of 2014/15 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.
- 9.2. Capita's target rate for new long term borrowing (25 years) for the second quarter of 2014/15 fell from 4.40% to 4.0% in mid-August. No new external borrowing is currently required in 2014/15 although work is continuing to develop a new capital programme but the business cases for a number of proposed schemes are still in development and dependant on external

decisions before the Council can make a commitment to them. Once this programme is finalised it will be presented to Council for consideration and the prudential borrowing implications updated in the Treasury Strategy. As outlined below, borrowing rates generally fell during the quarter. The low and high points during the quarter can be seen in the table below.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.28%	2.48%	3.16%	3.74%	3.72%
Date	08/09/2014	28/08/2014	28/08/2014	01/09/2014	29/08/2014
High	1.49%	2.87%	3.66%	4.24%	4.20%
Date	16/07/2014	03/07/2014	03/07/2014	04/07/2014	07/07/2014
Average	1.40%	2.66%	3.39%	3.98%	3.96%

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

Cabinet, 30 July 2014, Treasury Management Update Quarter 1 2014/15
Council, 27 February 2014, Treasury Strategy 2014/15.

Cabinet Member:

Mike Owen, Portfolio Holder

Local Member

N/A

Appendices

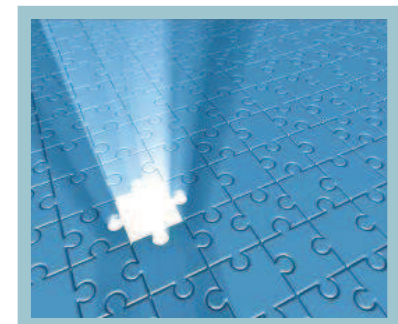
- A. Investment Report as at 30 September 2014
- B. Prudential Limits
- C. Prudential Borrowing Schedule

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Shropshire Council

Monthly Investment Analysis Review

September 2014



Monthly Economic Summary

General Economy

September was dominated by great volatility in the markets due to the much anticipated Scottish Referendum result which was 55.3% ‘No’ to independence. Following the result, sterling appreciated due to greater confidence within financial markets, alongside risk premium unwinding (with the focus returning to the strength of Britain’s recovery). This caused the pound to strengthen against the euro to a two year high, which may cause the BoE to slow down the pace of interest rates hikes to help to rebalance the economy. Essentially, dovish policymakers are concerned with the weakness of exports with Britain relying heavily upon domestic demand to maintain the momentum of economic recovery. There is therefore increasing divergence between the euro and pound, with the ECB cutting interest rates to fight deflation which could potentially disrupt financial markets and pose downside risks to the UK.

The MPC minutes this month further reiterated the split in their decision to keep rates on hold, with two hawkish policymakers voting to raise rates to 0.75% for a second successive month. Nonetheless, the consensus decision still remains in favour of holding interest rates at their historic low of 0.5%, citing reasons such as declines in manufacturing, exports and housing activity, in conjunction with weaknesses within the Eurozone.

The Markit/CIPS purchasing managers' index (PMI) for construction has continued to rise, demonstrating its biggest monthly growth in the six months to July, increasing to 64.0 in August from 62.4 in July. These figures have been mainly driven by growth in housing, commercial and civil engineering markets. Similarly, Britain’s dominant services sector, the major driving force of the UK economy, expanded at its fastest pace in a year increasing to 60.5 in August, largely exceeding market expectations. However, the services industry has been hit by turbulence stemming from the Ukraine crisis. This could create future threats in terms of slowing down the services and construction sector. This impact can already be seen in new orders and employment diminishing cumulatively across all three sectors this month. The manufacturing Markit PMI survey declined to 52.5 in August, the slowest rate in 14 months. Nonetheless, this is still above the 50 point threshold denoting growth. During Q2 2014, UK GDP grew 0.9% on the previous quarter (3.2% y/y), increasing from 0.7% in Q1.

Britain’s trade deficit in goods rose for a successive month to £10.186 billion, the highest figure since April 2012, due to a considerable decline in export orders, stemming from a poor Eurozone performance, UK’s largest trading partner.

The unemployment rate in Britain has demonstrated substantial improvement, with the ONS quoting the number of people in employment rising to a record high to 30.609 million in the three months through July; however, pay growth was weak. Nonetheless, despite this lack of wage growth, income tax receipts and social security payments have risen 1.6% from a year earlier. Subsequently, this data provides a positive indication that consumer activity should remain optimistic throughout the year despite the lack of wage growth. However, pay growth is still lagging behind inflation, which declined to 1.5% in July, a 5 year low. Although this indicates that the BoE will be unlikely to change their projections, Governor Mark Carney stated that, dependent upon the labour markets recovery, the central bank may decide to raise interest rates earlier than anticipated. Nonetheless, the current eight month run of consumer price inflation remains below the 2% target and this remains key to the BoE deciding to hold off raising rates.

British Retail Sales in September were reported to have grown at a relatively slower pace in comparison with August, with surveys signalling a decline in consumer confidence. The Confederation of British Industry’s distributive trade’s survey’s retail balance fell to +31, down from +37 high in August, which may dampen the current rate of UK economic growth. Despite this, solid growth was still demonstrated in actual sales on the high street with the strongest growth demonstrated since April, retail sales volumes rising by 0.4% on the month despite real pay pressures and looming interest rate hikes. Nevertheless, wage growth remains remarkably weak which has become crucial to the BoE’s decision of holding Britain’s record low interest rates.

Public sector net borrowing in August was £11.6bn, up 6.1% from the previous year. This means that it will be much harder to hit the budgeted 10% reduction in borrowing this year after successive months this year with similar overshoots. The Government may, therefore, have to consider greater austerity measures to reduce the budget deficit if this situation does not improve during the rest of the year. This will be a key issue with the upcoming general election with deficit reduction becoming central to the economic policy of the Conservative led coalition.

Finally, in the US, the economy grew at a relatively optimistic pace in Q2, expanding at 4.6% annually, previously reported at 4.2%. This has been reflected somewhat during Q3, with strong growth seen in manufacturing, trade and housing and domestic demand. However; slow job growth can be accounted for during August with the unemployment rate falling to 6.1% due to more Americans giving up the search for work. However, robust job gains are indicative of strong labour market performance, deriving from a surge in gross domestic income. Nonfarm payrolls increased by 142,000 last month, the smallest increase in 8 months. In their recent meeting this September, the US Federal Reserve revised its economic forecast and individual interest rate expectations. With no change to expected employment and inflation, this would appear to justify a higher rate outlook with the first rise likely to be in Q1 next year.

Housing Market

In the earlier part of the year, Governor Mark Carney stated that housing was the biggest domestic threat to Britain’s economic recovery, with many borrowers taking on more debt beyond their means. However, the BBA quoted mortgage approvals for house purchases have fallen to their lowest level in 12 months during August (down to 64,212), but were still up 5.2% compared to the previous year, so the housing market has slowed marginally over recent months. According to mortgage lender Nationwide, house prices fell to an eight month low, declining by 0.2% in September, after positive growth recorded at 0.8% in August. Nonetheless, the housing market should remain stable as increases to interest rates are likely to be fairly gradual over the next few years.

Forecast

Capita Asset Services kept its Bank Rate forecast unchanged this month, expecting the first increase in Q1 2015. Capital Economics did not alter their forecast this month.

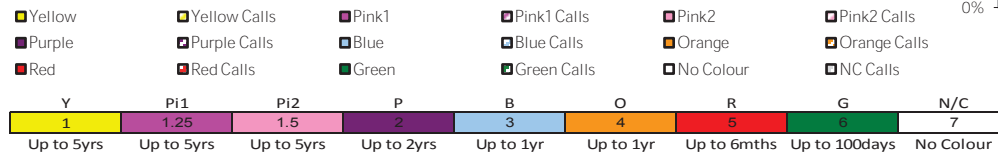
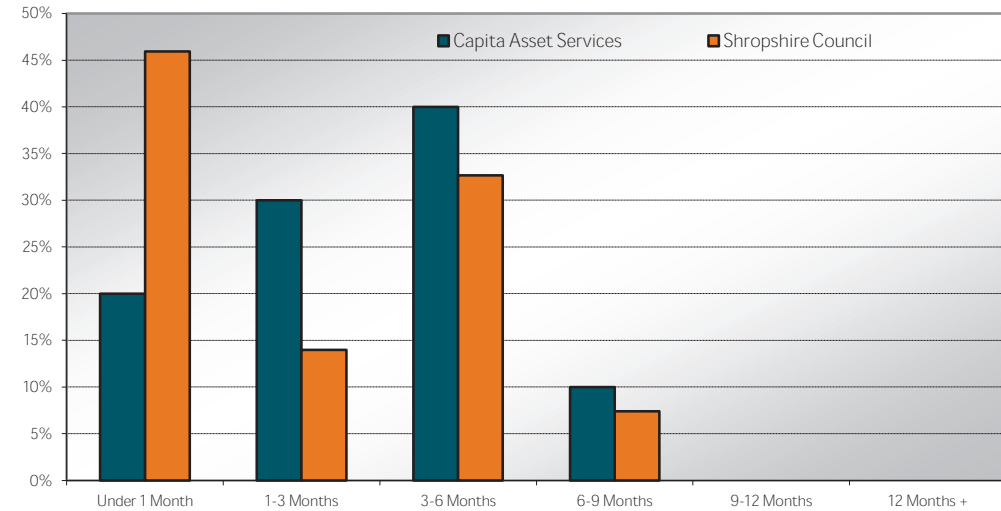
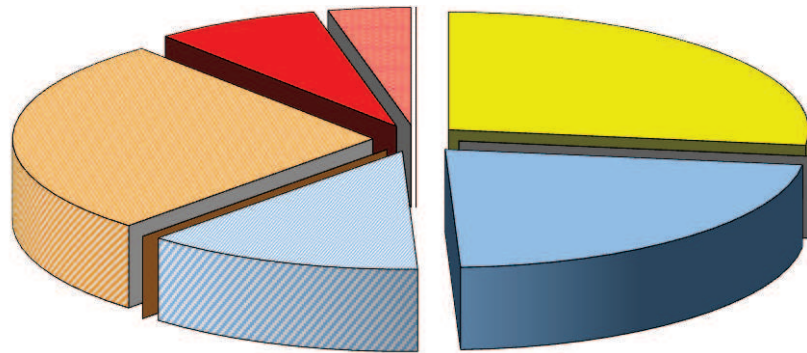
Bank Rate	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Capita Asset Services	0.50%	0.75%	0.75%	1.00%	1.00%
Capital Economics	0.50%	0.75%	0.75%	1.00%	1.00%

Shropshire Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
HSBC Bank Plc	20,000,000	0.80%		Call	AA-	0.000%
Svenska Handelsbanken AB	16,550,000	0.55%		Call	AA-	0.000%
National Westminster Bank Plc	1,880,000	0.25%		Call	BBB+	0.001%
Blaenau Gwent County Borough Council	2,000,000	0.32%	11/08/2014	03/10/2014	AA+	0.000%
Lloyds Bank Plc	3,600,000	0.57%	04/07/2014	06/10/2014	A	0.001%
Nationwide Building Society	2,100,000	0.45%	19/08/2014	10/10/2014	A	0.002%
Stockport Metropolitan Borough Council	3,000,000	0.33%	19/08/2014	13/10/2014	AA+	0.001%
Salford City Council	5,000,000	0.33%	14/07/2014	14/10/2014	AA+	0.001%
Nationwide Building Society	4,000,000	0.44%	03/09/2014	20/10/2014	A	0.005%
Nationwide Building Society	2,470,000	0.45%	08/09/2014	29/10/2014	A	0.007%
Nationwide Building Society	1,430,000	0.45%	10/09/2014	29/10/2014	A	0.007%
Barclays Bank Plc	5,000,000	0.55%		Call35	A	0.008%
Blaenau Gwent County Borough Council	2,000,000	0.33%	22/08/2014	05/11/2014	AA+	0.002%
Birmingham City Council	5,000,000	0.35%	06/08/2014	06/11/2014	AA+	0.002%
Lloyds Bank Plc	1,400,000	0.60%	07/07/2014	07/11/2014	A	0.009%
Lloyds Bank Plc	900,000	0.57%	07/08/2014	10/11/2014	A	0.010%
Blaenau Gwent County Borough Council	2,000,000	0.35%	20/08/2014	20/11/2014	AA+	0.002%
Salford City Council	2,600,000	0.35%	01/09/2014	02/12/2014	AA+	0.003%
National Westminster Bank Plc	15,000,000	0.30%		Call95	BBB+	0.052%
Lloyds Bank Plc	4,320,000	0.95%	09/01/2014	08/01/2015	A	0.024%
Lancashire County Council	5,000,000	0.50%	22/07/2014	22/01/2015	AA+	0.005%
Lloyds Bank Plc	1,520,000	0.95%	13/02/2014	12/02/2015	A	0.032%
Birmingham City Council	5,000,000	0.45%	15/08/2014	16/02/2015	AA+	0.006%
Cornwall Council	5,000,000	0.45%	03/09/2014	03/03/2015	AA+	0.007%
Lloyds Bank Plc	5,000,000	0.95%	07/03/2014	06/03/2015	A	0.037%
Lloyds Bank Plc	3,260,000	0.95%	02/04/2014	01/04/2015	A	0.043%
Lloyds Bank Plc	5,000,000	0.95%	09/04/2014	08/04/2015	A	0.045%
Lloyds Bank Plc	5,000,000	0.95%	17/04/2014	16/04/2015	A	0.047%
Total Investments	£135,030,000	0.58%				0.015%

Portfolio Breakdown by Capita Asset Services' Suggested Lending Criteria



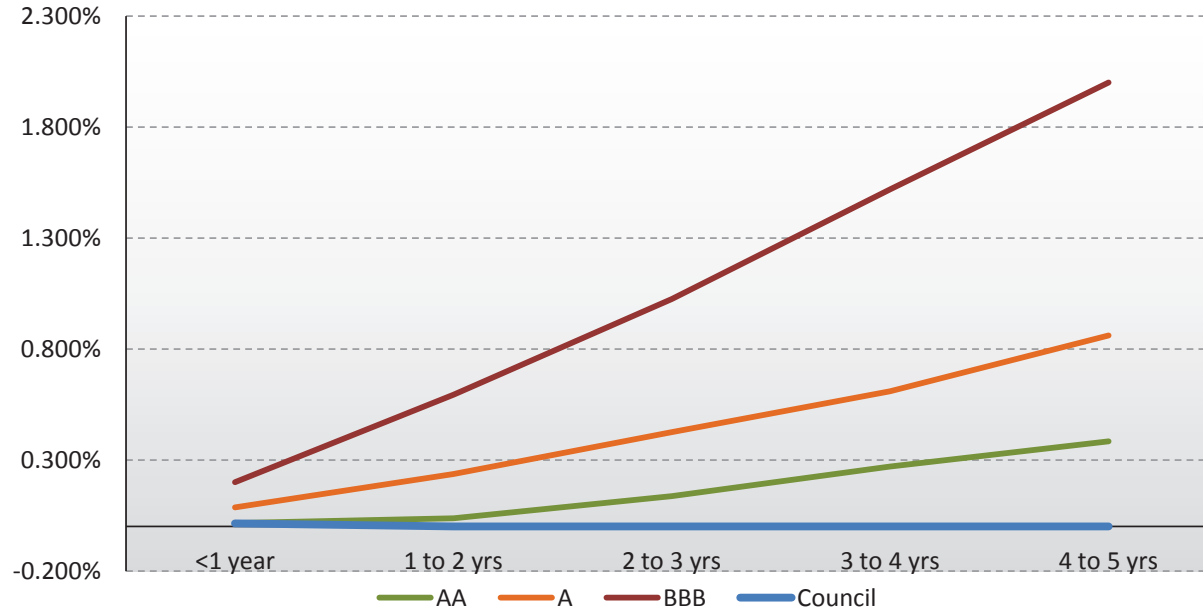
Portfolios weighted average risk number = **2.95**

WARoR = Weighted Average Rate of Return
 WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/EMMFs	
									WAM	WAM at Execution
Yellow	27.11%	£36,600,000	0.00%	£0	0.00%	0.39%	73	123	73	123
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	34.72%	£46,880,000	36.01%	£16,880,000	12.50%	0.67%	117	230	136	312
Orange	27.07%	£36,550,000	100.00%	£36,550,000	27.07%	0.69%	0	0	0	0
Red	11.11%	£15,000,000	33.33%	£5,000,000	3.70%	0.48%	26	45	21	49
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£135,030,000	43.27%	£58,430,000	43.27%	0.58%	63	118	91	188

Investment Risk and Rating Exposure

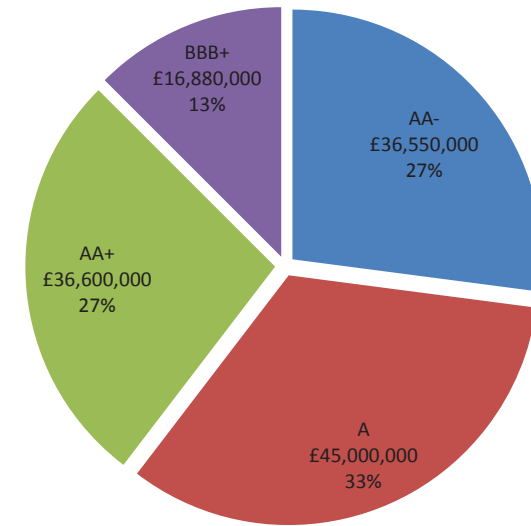
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.017%	0.038%	0.137%	0.271%	0.384%
A	0.087%	0.237%	0.425%	0.610%	0.861%
BBB	0.201%	0.595%	1.025%	1.519%	2.000%
Council	0.015%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
24/09/2014	1299	Yorkshire Building Society	UK	Long Term Rating was upgraded to 'A-' from 'BBB+' placed on a Stable Outlook. Short Term Rating upgraded to 'F1' from 'F2'. Viability Rating upgraded to 'a' from 'bbb+'. Support Rating was affirmed at '5'.
24/09/2014	1299	Skipton Building Society	UK	Long Term Rating was upgraded to 'BBB' from 'BBB-', Outlook changed from Positive from Stable. Short Term Rating was Upgraded to 'F2' from 'F3'. Viability Rating was upgraded to 'bbb' from 'bbb-'. Support Rating was affirmed at '5'.
24/09/2014	1299	Leeds Building Society	UK	Long Term Rating was affirmed at 'A', placed on a Stable Outlook. Short Term Rating was upgraded to 'F1' from 'F2'. Viability Rating was affirmed at 'a-'. Support Rating was affirmed at '5'.

Shropshire Council

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action

Shropshire Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action

Appendix B

Prudential Indicators – Quarter 2 2014/15

Prudential Indicator	2014/15 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	263	250	250		
HRA CFR	85	85	85		
Gross borrowing	338	343	338		
Investments	80	138	135		
Net borrowing	258	205	203		
Authorised limit for external debt	474	343	338		
Operational boundary for external debt	428	343	338		
Limit of fixed interest rates (borrowing)	408	343	338		
HRA debt Limit	96	85	85		
Limit of variable interest rates (borrowing)	204	0	0		
Principal sums invested > 364 days	40	0	0		
Maturity structure of borrowing limits	%	%	%		
Under 12 months	15	1	2		
12 months to 2 years	15	3	2		
2 years to 5 years	45	5	5		
5 years to 10 years	75	8	6		
10 years to 20 years	100	22	26		
20 years to 30 years	100	24	20		
30 years to 40 years	100	18	18		
40 years to 50 years	100	10	11		
50 years and above	100	9	10		

* Based on period 6 Capital Monitoring report

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APPENDIX C

Capital Financing 2014/15 - Period 6 2014/15

Prudential Borrowing Approvals	Date Approved	Amount Approved £	Applied (Spent) 2006/07 £	Applied (Spent) 2007/08 £	Applied Outturn 08/09 2008/09 £	Applied Outturn 09/10 2009/10 £	Applied Outturn 10/11 2010/11 £	Applied Outturn 11/12 2011/12 £	Applied Outturn 12/13 2012/13 £	Applied Outturn 13/14 2013/14 £	Budgeted Period 6 14/15 2014/15 £	Budgeted Period 6 14/15 2015/16 £
Monkmoor Campus	24/02/06	3,580,000										
Capital Receipts Shortfall -Cashflow	24/02/06	5,000,000										
Applied:												
Monkmoor Campus			3,000,000		0							
William Brooks					0		3,580,000					
Tern Valley					2,000,000							
		8,580,000	3,000,000	0	2,000,000	0	3,580,000	0	0	0	0	0
Highways	24/02/06	2,000,000	2,000,000									
Accommodation Changes	24/02/06	650,000	410,200	39,800								
Accommodation Changes - Saving	31/03/07	(200,000)										
		450,000	410,200	39,800	0	0	0	0	0	0	0	0
The Ptarmigan Building	05/11/09	3,744,000				3,744,000						
The Mount McKinley Building	05/11/09	2,782,000				2,782,000						
The Mount McKinley Building	05/11/09	0					-					
Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation	25/02/10	187,600				187,600	-	-	-	0	-	-
Carbon Efficiency Schemes/Self Financing	25/02/10	1,512,442					115,656	1,312,810	83,976	-	-	-
Transformation schemes		92,635						92,635	-	-		
Renewables - Biomass - Self Financing	14/09/11	92,996						82,408	98,258	(87,670)	-	
Solar PV Council Buildings - Self Financing	11/05/11	56,342						1,283,959	124,584	(1,352,202)	-	
Depot Redevelopment - Self Financing	23/02/12	0							-	-	-	
Oswestry Leisure Centre Equipment - Self Financing	04/04/12	124,521						124,521				
Leisure Services - Self Financing	01/08/12	711,197							711,197			
Previous NSDC Borrowing		955,595			821,138	134,457						
		21,289,327	5,410,200	39,800	2,821,138	6,848,057	3,695,656	2,896,333	1,018,015.37	(1,439,872)	0	0
MRP Charged			0.00	(288,367.00)	(296,326.67)	(339,361.72)	(589,162.85)	(860,518.50)	(1,240,619.37)	(1,250,979.56)	(1,181,963.23)	(1,144,443.23)
Prudential Borrowing CFR				5,161,632.52	7,686,443.86	14,195,138.94	17,301,632.44	19,337,446.83	19,114,842.83	16,423,990.88	15,242,027.65	14,097,584.42
								0	0	0	0	0

First year MRP Charged	Asset Life	Final year MRP Charged
------------------------	------------	------------------------

2007/08	25	2031/32
2011/12	25	2035/36
2010/11	35	2044/45

2007/08	20	2026/27
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2007/08	6	2012/13
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2010/11	25	2034/35
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2011/12	25	2035/36
2011/12	5	2015/16

	25	
2010/11	5	2014/15

2011/12	5	2017/18
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2012/13	3	2014/15
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2014/15	25	2038/39
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2013/14	25	2038/39
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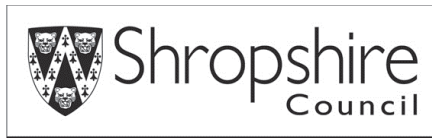
2014/15	10	2023/24
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2012/13	5	2016/17
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2013/14	5	2016/17
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2009/10	5/25	
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<u>Committee and Date</u>	<u>Item</u>
Audit Committee 27 November 2014	10
Cabinet 10 December 2014	
Council 18 December 2014	
	<u>Public</u>

TREASURY STRATEGY 2014/15 – MID YEAR REVIEW

Responsible Officer James Walton
e-mail: james.walton@shropshire.gov.uk

Tel: (01743) 255011 Fax (01743) 252390

1. Summary

1.1 This mid year Treasury Strategy report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management 2011 and covers the following:-

- An economic update for the first six months of 2014/15
- A review of the Treasury Strategy 2014/15 and Annual Investment Strategy
- A review of the Council's investment portfolio for 2014/15
- A review of the Council's borrowing strategy for 2014/15
- A review of any debt rescheduling undertaken
- A review of compliance with Treasury and Prudential limits for 2014/15

1.2 The key points to note are:-

- The internal treasury team achieved a return of 0.57% on the Council's cash balances outperforming the benchmark by 0.27%. This amounts to additional income of £209,925 for the first six months of the year which is included within the Council's projected outturn position.
- In the first six months all treasury management activities have been in accordance with the approved limits and prudential indicators set out in the Council's Treasury Strategy.

2. Recommendations

2.1 Members are asked to accept the position as set out in the report.

2.2 Members note that any capital schemes brought forward that would impact on the current strategy would need to be approved by Council.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.2 There are no direct environmental, equalities or climate change consequences arising from this report.
- 3.3 Compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Policy Statement and Treasury Management Practices and the Prudential Code for Capital Finance together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and the potential for financial loss.

4. Financial Implications

- 4.1 The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions result in increased or reduced income for the Council.
- 4.2 The six monthly performance is above benchmark and has delivered additional income of £209,925 which will be reflected in the Period 6 Revenue Monitor.
- 4.3 The Council currently has £135m held in investments as detailed in Appendix A and borrowing of £338m at fixed interest rates.

5. Background

- 5.1 The Council defines its treasury management activities as "the management of the authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with the activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council for the first six months of the financial year.
- 5.2 The CIPFA Code of Practice on Treasury Management 2011 was adopted by Council in February 2012 and the primary requirements of the Code were outlined in the Treasury Strategy 2012/13.

6. Economic update

- 6.1 **Global Economy** – In September, the US Federal Reserve continued with its monthly \$10 billion reductions in asset purchases. Asset purchases have now fallen from \$85 billion to \$15 billion and are expected to stop in October 2014, providing strong economic growth continues. First quarter growth figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in the second quarter to an annualised rate of 4.6%. The US faces similar debt problems to those of the UK, but due to reasonable growth, cuts in government

- expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the US Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.
- 6.2 The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further to reach a low of 0.3%. However, this is an average for all Eurozone countries and includes some countries with negative rates of inflation. Accordingly, the European Central Bank (ECB) took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to a negative rate of 0.2% and to start a programme of purchases of corporate debt although it has not embarked yet on full quantitative easing which is the purchase of sovereign debt.
- 6.3 Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international competitiveness and the need for overdue reforms of the economy. It is therefore possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but have only been postponed.
- 6.4 By the beginning of September, a further rise in geopolitical risks principally over the Ukraine but also over the Middle East has caused a further flight into safe haven flows from equities into bonds which has depressed PWLB rates further.
- 6.5 **UK Economy** – After strong economic growth in the UK of 2.7% in 2013, and strong quarterly growth of 0.7% and 0.9% in the first two quarters of 2014, it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.
- 6.6 The Monetary Policy Committee (MPC) has kept the Bank Rate at its historically low level of 0.5% while quantitative easing remained at £375 billion. The overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the MPC last August, before it said it would consider any increases in Bank Rate. The MPC has therefore subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in the Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is not expected until the second quarter of 2015.
- 6.7 There has been a sharp fall in Consumer Price Inflation (CPI) reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%.

7 Economic Forecast

7.1 The Council receives its treasury advice from Capita Asset Services. Their latest interest rate forecasts are shown below:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

7.2 Capita believes the Bank Rate will remain at its current low level of 0.50% until June 2015 when it is expected to rise to 0.75% before rising to 1% in December 2015. This means investment returns will continue to be at historically low levels during this period. The Bank Rate is then expected to reach 1.5% by 31 June 2017 and 2.50% by 31 March 2018.

7.3 Long term PWLB rates are expected to rise to 4.50% in March 2016 before steadily increasing over time to reach 5.00% by 31 March 2018 due to high gilt issuance in the UK and the high volume of debt issuance in other major western countries.

7.4 Economic forecasting remains difficult with so many external influences weighing on the UK. As there are significant potential risks from the Eurozone and from financial flows from emerging markets in particular, caution must be exercised in respect of all interest rate forecasts at the current time. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is expected to remain unchanged as market fundamentals will focus on the sheer volume of UK gilt issuance and the price of those new debt issues. Negative (or positive) developments in the Eurozone sovereign debt crisis could significantly impact safe haven flows of investor money into UK, US and German bonds and produce shorter term movements away from central forecasts. The above estimates are conservative and also reflect a prolonged, but successful management of the Eurozone crisis.

8. Treasury Strategy update

8.1 The Treasury Management Strategy (TMS) for 2014/15 was approved by Full Council on 27 February 2014. This Treasury Strategy does not require updating as there are no policy changes or any changes required to the prudential and treasury indicators previously approved.

9. Annual Investment Strategy update

9.1 The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital. As outlined in paragraph 6 & 7 above there is still considerable uncertainty and volatility in the financial and banking market, both globally and in the UK. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in

previous decades as rates are very low and in line with the 0.5% Bank Rate. In this context it is considered that the Annual Investment Strategy approved on 27 February 2014 is still fit for purpose in the current economic climate.

- 9.2 The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (up to 1 year), and only invest with highly credit rated financial institutions using the Capita's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita. The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations. This approach has been endorsed by our external advisors, Capita Asset Services.
- 9.3 In the first six months of 2014/15 the internal treasury team outperformed its benchmark by 0.27%. The investment return was 0.57% compared to the benchmark of 0.30%. This amounts to additional income of £209,925 during the first six months which is included within the Council's projected outturn position.
- 9.4 A full list of investments held as at 30 September 2014, compared to Capita's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown in **Appendix A**. None of the approved limits within the Annual Investment Strategy were breached during the first six months of 2014/15 and have not been previously breached. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.
- 9.5 As illustrated in the economic background section above, investment rates available in the market are at an historical low point. The average level of funds available for investment purposes in the first six months of 2014/15 was £148 million.
- 9.6 The Council's interest receivable/payable budgets are currently projecting a surplus of £0.843 million as reported in the monthly revenue monitoring reports due to no long term borrowing being undertaken and investment balances being higher than anticipated.

10. Borrowing

- 10.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". Council's approved Prudential Indicators (affordability limits) are outlined in the TMS. A list of the approved limits is shown in **Appendix B**. The schedule at **Appendix C** details the Prudential Borrowing approved and utilised to date.
- 10.2 Officers can confirm that the Prudential Indicators were not breached during the first six months of 2014/15 and have not been previously breached.
- 10.3 No new external borrowing is required in 2014/15 although work is continuing to develop a new capital programme but the business cases for a number of proposed schemes are still in development and dependant on external decisions before the Council can make a commitment to them. Once this programme is finalised it will be presented to Council for consideration and the prudential borrowing implications updated in the Treasury Strategy. The schemes being considered are already within the current authorised borrowing limits in place. As outlined in the table below, the general trend has been a decrease in interest rates during the first six months of the year, across longer dated maturity bands, but a rise in the shorter maturities,

reflecting in part the expected rise in the Bank Rate. The dates of the low points and high points across different maturity bands are shown in the table below.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.20%	2.48%	3.16%	3.75%	3.73%
Date	10/04/2014	28/08/2014	28/08/2014	29/08/2014	29/08/2014
High	1.48%	2.86%	3.66%	4.29%	4.26%
Date	15/07/2014	04/07/2014	20/06/2014	02/04/2014	01/04/2014
Average	1.34%	2.65%	3.67%	4.10%	4.17%

- 10.4 During the first six months of the financial year there has been a lot of volatility in the financial markets which are highly correlated to geopolitical and sovereign debt crisis developments and this has had an impact on the PWLB rates. The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

11. Debt Rescheduling

- 11.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. During the first six months of the year no debt rescheduling was undertaken.

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

Council, 27 February 2014, Treasury Strategy 2014/15

Cabinet Member:

Keith Barrow, Leader of the Council

Local Member

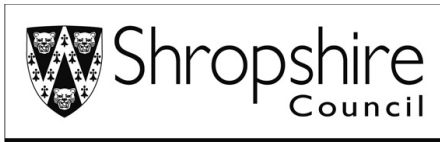
N/A

Appendices

A. Investment Report as at 30th September 2014

B. Prudential Limits

C. Prudential Borrowing Schedule



<u>Committee and Date</u>
Cabinet
10 December 2014
12.30 pm

<u>Item</u>
13
<u>Public</u>

SHROPSHIRE SCHOOLS FUNDING FORMULA 2015-16

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

1. Summary

Shropshire Schools Forum has led on drawing together the funding formula for Shropshire maintained schools and academies for the financial year 2015-16. The wider school community of Shropshire were consulted on the proposed funding formula during the early autumn.

An Authority Proforma Tool has been submitted to the Education Funding Agency (EFA) to ensure that the funding formula is compliant with 2015-16 financial regulations and conditions relating to the Dedicated Schools Grant. The EFA require the formula to be politically ratified before the end of February 2015, the date by which budgets have to be issued to maintained schools. This paper sets out the proposals agreed by the Shropshire Schools Forum.

2. Recommendations

Cabinet is asked to ratify the recommendation of Shropshire Schools Forum on the funding formula for Shropshire schools for the financial year 2015-16, as required by the Dedicated Schools Grant financial regulations and conditions of grant.

REPORT

3. Risk Assessment and Opportunities Appraisal

A consultation document (attached at Appendix A) on the recommended changes to the Shropshire schools funding formula for 2015-16 was sent to all Shropshire maintained schools and academies on 22 September 2014 inviting responses to each area of the recommended changes. Individual responses were received from 25 schools (17% of all schools, including academies).

As part of the consultation process a meeting was held at the Lord Hill Hotel on 2 October 2014 where headteachers and chairs of governors/chairs of finance were invited to discuss the recommendations in more detail before the consultation response deadline of 16 October 2014. Some 150+ delegates attended the event representing 85 (57%) schools and academies.

The detailed work on the funding formula has been undertaken by the members of the Schools Forum Task & Finish Group. Membership of this group includes primary, secondary and special school headteachers and governors from both urban and rural schools. The resulting final recommended formula was approved by the full Schools Forum at their meeting on 23 October 2014 (report attached at Appendix B). The detailed findings of the Task & Finish Group were presented in a report to Schools Forum on 18 September 2014, ahead of the consultation with schools (attached at Appendix C).

A letter was sent out to the headteachers of all Shropshire maintained schools, academies and Shropshire's free school on 11 November 2014 informing them of the proposed changes to the funding formula for 2015-16, as recommended by Shropshire Schools Forum on 23 October 2014 (attached at Appendix D).

4. Financial Implications

The funding formula is used to determine how part of the Council's Dedicated Schools Grant (DSG) allocation – the Individual Schools Budget – is distributed to Shropshire schools. The individual school 'budget shares' represent a significant proportion of the annual revenue funding for schools for the financial year 2015-16.

The EFA uses this local funding formula to allocate funding direct to Shropshire's academies and free school.

Shropshire's DSG has remained largely unchanged for the three years 2012-13, 2013-14 and 2014-15. In 2015-16 Shropshire, along with 68 other local authorities in England, will receive a share of £390m in additional DSG funding, addressing an acknowledged historic unfairness in the current school funding system. Shropshire schools will benefit from this additional funding – based on the October 2013 school census this equates to an additional £10.37m.

5. Background

The Government allocates DSG funding to local authorities on an annual basis. While an element of this funding is centrally retained – in line with DSG financial regulations - the vast majority is distributed via a local funding formula. This formularised element of DSG is called the Individual Schools Budget (ISB).

Government's school funding reforms, introduced in 2013-14, have seen a significant reduction in the number of formula factors that can be used in distributing the funding to schools. This greater prescription has resulted in significant turbulence in the funding of schools, but is seen as essential in paving the way towards the introduction of a national funding formula, now expected in the next parliament. Schools Forum has gone to great lengths to minimise this turbulence in Shropshire schools through the considered application of the available formula factors.

The next financial year, 2015-16, will see a significant further development in the school funding reforms, with the Government providing an additional £390m nationally to support the 69 least funded local education authorities. Shropshire is one of the main beneficiaries, receiving an additional £297 per pupil. Based on the October 2013 school census) this equates to £10.37m in additional funding via the schools block within the DSG, an increase of 7.2%.

While the reforms have led to turbulence in funding to schools there is statutory protection in place. This is called the Minimum Funding Guarantee (MFG), which ensures that the year on year reduction in per pupil funding for any individual school cannot be greater than 1.5%. The shortfall in budget share to any individual school through the funding formula is effectively funded up to this MFG limit.

The increase in funding for Shropshire in 2015-16 will impact on the level of MFG schools attract – as the funding per pupil increases, the MFG decreases. The released MFG is then redistributed to all schools via the pupil formula factor (age weighted pupil unit (AWPU)). This redistribution of MFG results in a provisional per pupil funding increasing from £297 to £333 per pupil.

Since the introduction of the funding reforms the local formula has been drawn together by a Task & Finish Group from the membership of Shropshire Schools Forum with officer support as required, in particular in modelling formula options. In the summer 2014 the group undertook detailed work to formularise the additional funding schools will receive from April 2015.

Schools Forum has a statutory consultative and advisory role; however it is the responsibility of the local authority to decide on the formula. The partnership between the Council and Schools Forum is strong and so the formula presented to Cabinet for approval is the one proposed and agreed by Schools Forum.

The schools funding formula for the financial year 2015-16 was agreed by Schools Forum at their meeting on 23 October 2014. The report and appendix that went to Schools Forum is attached (Appendix B), together with an earlier report detailing the recommendations of the Schools Forum Task & Finish Group.

Schools Forum are therefore recommending that the majority of the additional funding in 2015-16 is distributed across all schools on a flat rate per pupil basis using the AWPU factor. The funding distributed via the sparsity factor, targeting resources towards the most sparse primary and secondary schools in Shropshire, will also be increased (based on the October 2013 school census) by an estimated £199,000. This will potentially benefit 14 primary schools and 1 secondary school. No other formula factors will be applied to the additional grant funding.

The DSG regulations require the submission of an Authority Proforma Tool (APT) to the EFA whose role is to ensure that it is compliant. The APT effectively details the local funding formula. The Council has submitted the APT and expects to receive confirmation from the EFA that the Shropshire funding formula for 2015-16 is compliant.

6. Additional Information

In the autumn term 2013 Schools Forum established a Task & Finish Group on School Sustainability to undertake a budget-led technical exercise to assess the impact on individual school budgets of the Government's funding reforms and the proposed introduction of a national funding formula. The announcement in the spring of 2014 that there would be additional funding coming to Shropshire did not distract the group from their work.

Shropshire faces a demographic challenge with the number of pupils on roll in our schools projected to fall overall, bucking national trends of pupil growth in other local authorities. However, this decline in pupil number is not evenly spread across the county and varies from one area to another, one market town to another.

The Administration has taken a keen interest in this issue, forming their own Task & Finish Group on School Sustainability, developing their knowledge and understanding of the challenges facing a number of our schools and supporting the work of the Schools Forum Task & Finish Group.

A joint communication on behalf of both groups was sent in September 2014 to all schools, local members, parish/town councils and MPs providing background to the school sustainability issue and the work that is being done to address the issue (attached at Appendix E). In particular the significant role of the governing bodies and the need for schools to work together to find local solutions were highlighted. Shropshire Councillors from all political parties, plus parish and town councillors, are being encouraged to help by working with their local schools.

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

Schools Forum website - <http://shropshire.gov.uk/schools/shropshire-schools-forum/>

Cabinet Member (Portfolio Holder)

Ann Hartley

Local Member

All Council members

Appendices

Appendix A: Consultation on School Funding Arrangements for the Financial Year 2015-16

Appendix B: Schools Forum 'School Funding Consultation Update' report and appendix 'School Funding Update', 23 October 2014

Appendix C: Schools Forum 'School Funding Reforms' report, 18 September 2014

Appendix D: Letter to headteachers of Shropshire maintained schools and academies, 'School Funding Reforms 2105-16', 11 November 2014

Appendix E: Letter and attachment on 'Schools Sustainability in Shropshire' to schools, members, parish/town councils and Shropshire MPs, 12 September 2014.

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Consultation on School Funding Arrangements for the Financial Year 2015-16

Fairer Schools Funding - Arrangements for 2015-16 - Consultation

Background

1. The Government has for some time recognised that the current schools funding system is unfair and out of date. Over the past three years they have introduced a number of changes to how local authorities distribute funding to schools, and Shropshire schools have been consulted on these changes in the past.
2. The Government has announced further reforms to the schools funding system from April 2015 – increases to the schools block funding within Dedicated Schools Grant (DSG) allocations of low funded local authorities, along with some minor changes to the factors allowable within the local funding formula distributing the DSG to individual schools.
3. The Government acknowledges that the increase to local authorities DSG is only to the schools block unit of funding rather than across the entire DSG which also includes funding for high needs and early years pupils. However they aim to begin research in the autumn with a view to consulting on the way that high needs funding should be distributed, both from central government to local authorities and from local authorities to institutions and intend to achieve a fair distribution of early years funding through a national early years funding formula in the future. For 2015-16 additional funding for early years will be provided through a new early years' pupil premium.
4. In July 2014, following consultation, the Government confirmed within their 'Fairer Schools Funding' reforms the allocation of an additional £390m to local authorities schools block funding within the Dedicated Schools Grant (DSG) allocations from April 2015. **Shropshire will receive an additional £297 per pupil in schools block funding within the DSG.** Based on October 2013 census data this equates to an additional £10.37m, a 7.2% increase to the schools block. Please note however that October 2014 pupil numbers in Shropshire are expected to be lower than October 2013 pupil numbers and therefore the total additional allocation received is likely to be lower than £10.37m. Shropshire is the 4th highest gainer out of 69 gaining local authorities in England.
5. Whilst this additional funding is very positive news for Shropshire schools, for schools in receipt of a minimum funding guarantee (MFG) allocation within their budget share, any new additional funding may either all, or in part, be offset by a corresponding reduction to their MFG allocation. Schools in this situation may see no cash increase in their funding.
6. The local authority has flexibility to allocate the additional funding to Shropshire schools through the local funding formula in the way it best sees fit using the Government's allowable factors.
7. The Shropshire Schools Forum Sustainability Task & Finish Group, advised and supported by Shropshire Council's administration Task & Finish Group, considered various models over the summer for distributing the additional funding fairly to Shropshire schools.

8. As a reminder the allowable formula factors used within Shropshire's local funding formula are:
 - Age Weighted Pupil Unit (AWPU)
 - Lump Sum
 - Sparsity
 - Rates
 - Split Site
 - Free School Meals
 - Low Prior Attainment
 - Income Deprivation Affecting Children Index (IDACI)
9. Further to the detailed consideration of various funding models, the Shropshire Schools Forum agreed on 18 September 2014 to recommend to the local authority an increase to the current sparsity funding delivered to schools through the funding formula to a level that demonstrated a fair and appropriate allocation and to distribute remaining additional funding on a flat rate per pupil basis across all Shropshire schools through the AWPU.
10. However whilst Schools Forum can recommend changes to the funding formula, including redistributions, the decision will be a local authority decision, approved by Cabinet.
11. This consultation seeks individual schools views on these recommendations. Feedback from this consultation will inform the local authority's decision on the funding formula for 2015-16.

Proposal for Distributing the Additional Schools Block Funding of £297 per Pupil from April 2015

Sparsity Funding

12. Since April 2014, the Government has allowed local authorities to include a sparsity factor in their local funding formula to target funding at small rural schools. The Government determined the following maximum threshold levels for identifying a school as being sparse:
 - For primary schools, fewer than 150 pupils and an average distance greater than or equal to 2 miles.
 - For secondary schools, fewer than 600 pupils and an average distance greater than or equal to 3 miles.
 - For all-through schools, fewer than 600 pupils and an average distance greater than or equal to 2 miles.
13. The average distance is calculated based on the distance that pupils live from their second nearest school as the crow flies. Local authorities are able to make exceptional applications for schools that would have significantly higher distances if road distances had been used instead of crow flies distances.
14. The Schools Forum Task & Finish Group considered the Government's maximum sparsity threshold levels and concluded that the distance thresholds of 2 or more miles for primary schools and 3 or more miles for secondary and all-through schools did not define a school as being sparse.

15. As in the current financial year, to ensure sparsity funding is targeted at Shropshire's sparse schools, the Task & Finish Group **recommend that Shropshire's primary school sparsity distance measure remain at 3 or more miles and that Shropshire's secondary school sparsity distance measure remain at 9 or more miles.** This delivers sparsity funding to 10 Shropshire primary schools and one Shropshire secondary school based on October 2013 census data.
16. For the current financial year, 2014-15, the local authority successfully applied to the Education Funding Agency (EFA) to include an additional 4 Shropshire primary schools where the actual road travel distances significantly exceeded their sparsity distance using the crow flies measure and would not otherwise have been eligible. It is expected that these 4 primary schools will remain eligible for sparsity funding in 2015-16.
17. The maximum permitted value of the sparsity factor is £100,000 per school. Local authorities can allocate sparsity funding either as a flat rate sum to all schools identified as sparse, or on a tapered amount related to school size (the smaller the school the larger the allocation).
18. In the current financial year sparsity funding was allocated to sparse primary schools on a tapered approach from £30,000 at zero on roll to £0 at 150 on roll and allocated to sparse secondary schools on a flat rate of £40,000.
19. Given the additional funding from April 2015, the group reviewed this area of funding. To achieve a fair and appropriate sparsity funding allocation level the group considered core school expenditure levels of small primary schools and the additional targeted sparsity funding that would be required to ensure sparse primary schools received core funding to meet at least these expenditure levels. On this basis the group **recommend increasing the sparsity funding to £50,000 on a tapered approach, from £30,000 in 2014-15, for relevant sparse primary schools.**
20. Based on analysis of current funding levels and expenditure requirements of the individual secondary school the group **recommend increasing sparsity funding to £100,000 on a flat rate approach, from £40,000 in 2014-15, for secondary schools.**
21. Based on October 2013 census data this increase to sparsity funding in secondary and primary schools costs an additional £198,800.

Q1 Do you agree with maintaining the sparsity distance thresholds, as outlined in paragraph 15, to ensure sparsity funding is targeted at Shropshire schools that are sparse?

Q2 Do you agree with the basis for determining the additional sparsity funding recommended within the local funding formula from April 2015, as outlined in paragraphs 19 and 20?

Age Weighted Pupil Unit (AWPU) Funding

22. For fairness the Task & Finish Group **recommend that the remaining additional funding be distributed on a flat rate per pupil basis across all Shropshire schools**. Any increase to the age weighted pupil unit (AWPU) funding within the funding formula to schools will have a corresponding impact on the level of minimum funding guarantee (MFG) that a school attracts. As the AWPU increases, the MFG reduces. The release of MFG allows for more funding to be allocated through the AWPU.
23. The additional DSG funding of £297 per pupil results in an AWPU increase, after the increase to sparsity funding and recycling of MFG, of £333.39 per pupil across all primary, secondary and all-through schools in Shropshire (based on October 2013 census data).

Q3 Do you agree that the majority of the additional funding should be allocated on a per pupil basis?

Q4 Do you believe other local formula factors, as listed in paragraph 8, should be used to distribute the additional funding to Shropshire schools and if so which and why?

Important Points for Schools

24. For many Shropshire schools new additional funding may either all, or in part, be offset by a corresponding reduction to their MFG protection funding initially;
25. Overall pupil numbers in Shropshire are projected to fall over the next 4 years by over 4% and therefore the aggregate DSG received by the local authority for distribution to schools through individual budget shares will also reduce annually.
26. Schools face increasing cost pressures in relation to pay awards, incremental progression of staff up the pay scale, increasing employers' pension contributions and non-pay inflation costs.
27. The final AWPU value within schools 2015-16 budget share allocations will be determined after all 2015-16 DSG pressures, including high needs places and provision costs, are taken into account.

Next Steps

Date	Action
22 September to 16 October 2014	Consultation with all Shropshire maintained schools, academies and free schools
Thursday 2 October 2014	School Census
Thursday 2 October 2014	Consultation meeting – invitation to all Shropshire maintained schools, academies and free schools
Thursday 16 October 2014	Consultation with all Shropshire maintained schools, academies and free schools closes
w/b 27 October 2014	Local authority decision on the schools' funding formula for 2015-16 (formal Cabinet approval will follow)
31 October 2014	Local authority submits provisional Schools Budget pro-forma to the Education Funding Agency (EFA)
26 November 2014	Schools census database closed
December 2014	EFA confirms DSG allocations for 2015-16
January 2015	LA submits final data for Schools Budget pro-forma
February 2015	LA confirms budget for maintained schools. EFA confirms academies and free schools budgets.

Consultation on School Funding Arrangements for the Financial Year 2015-16 Response Form

School Name:

If you are willing to be contacted to provide further information (if required) in relation to your response please provide your contact details below.

Name:

Contact Number:

Q1 Do you agree with maintaining the sparsity criteria, in terms of distance and pupil number thresholds, as outlined in paragraph 15, to ensure sparsity funding is targeted at Shropshire schools that are sparse?

Q2 Do you agree with the basis for determining the additional sparsity funding recommended within the local funding formula from April 2015, as outlined in paragraph 19?

Q3 Do you agree that the majority of the additional funding should be allocated on a per pupil basis?

Q4 Do you believe other local formula factors, as listed in paragraph 8, should be used to distribute the additional funding to Shropshire schools and if so which and why?

Any Other Comments

Please return responses to:

Gwyneth Evans
School Funding Policy Officer
Learning and Skills
Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Email: gwyneth.evans@shropshire.gov.uk

Fax: 01743 254538 (FAO Gwyneth Evans)

Response deadline: Thursday 16 October 2014

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Schools Forum

Date: 23 October 2014

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

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Public

School Funding Consultation Update

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 253875 Fax: 01743 254538

Summary

Following the Government's announcement of the school funding arrangements for 2015-16, and significant work carried out by the Schools Forum Task & Finish group on Sustainability, Shropshire Schools Forum recommended changes to Shropshire's local funding formula for 2015-16 at its meeting of 18 September 2014.

Shropshire maintained schools, academies and free school were consulted on these recommendations. The consultation process included a briefing session open to all headteachers and chairs of governors held at the Lord Hill Hotel on 2 October 2014. The consultation period ended on 16 October 2014.

This report summarises the consultation responses received. Details of the individual school responses are attached to the report.

As a reminder, whilst Schools Forum can recommend changes to the funding formula, including redistributions, decisions are made by the local authority.

Recommendation

That Schools Forum consider the individual school responses to the consultation attached at Appendix A to this report and agree to recommend to the local authority the allocation of additional funding from April 2015 in line with Schools Forum recommendation of 18 September 2014.

REPORT

Background

1. Following significant reforms to school funding arrangements from April 2013 the Government consulted on and published further reforms during the summer for implementation from April 2015. The changes continue the Government's move towards a national funding formula for schools during the next parliamentary period.

2. The latest reforms aim to address the unfairness in funding across local authorities and confirmed additional funding of £390m to the lowest funded local authorities in England from April 2015-16. Shropshire will receive an additional £297 per pupil in schools block funding within the DSG. Based on October 2013 census data this equates to an additional £10.37m, a 7.2% increase to the schools block. Shropshire is the 4th highest gainer out of 69 gaining local authorities.
3. The Schools Forum Sustainability Task & Finish Group, advised and supported by Shropshire Council's administration Task & Finish Group considered options for distributing the additional funding to Shropshire maintained schools, academies and free school. As a result, the Task & Finish Group recommended to Shropshire Schools Forum on 18 September 2014 an increase to the current sparsity funding delivered to schools through the funding formula to a level that demonstrated a fair and appropriate allocation and to distribute remaining funding on a flat rate per pupil basis across all schools.
4. Shropshire Schools Forum agreed with the Task & Finish Group's recommendation and a period of consultation with all Shropshire maintained schools, academies and free school commenced on the 22 September. As part of the consultation process a briefing session was held at the Lord Hill Hotel on 2 October 2014 where 154 people attended representing 85 Shropshire schools. The briefing session gave headteachers and governors the opportunity to discuss the recommendations in more detail.
5. The consultation period ended on 16 October 2014. A total of 25 responses (17%) were received, 21 from primary schools and 4 from secondary schools.
6. Overall the majority of responses received from schools to the consultation were in favour of the recommendations proposed by Schools Forum. A schedule of the individual responses received is attached at Appendix A.

Sparsity

7. The proposal to retain the sparsity distance criteria at 3 miles for primary and 9 miles for secondary and retain the primary number on roll threshold at less than 150 on roll was generally supported. Of the 25 responses 15 gave a Yes response, 6 gave a No response and 4 gave neither Yes or No response.
8. The proposal to retain the number on roll threshold for secondary schools at less than 450, as in 2014-15, was not made clear in the consultation documentation and the briefing session at the Lord Hill referred to the number on roll threshold, in error, as less than 600 on roll for secondary. However, whichever number on roll threshold is used, it remains that only one Shropshire secondary school will receive sparsity funding, due to the 9 miles distance threshold.
9. Of the 4 secondary school responses, one responded in agreement with a 600 on roll threshold for secondary schools, two agreed with the current 2014-

15 threshold of less than 450 on roll and one responded to say that sparsity should not be used for secondary schools.

10. In relation to the basis for determining the value of the additional sparsity funding, 17 gave a Yes response, 3 gave a No response and 3 gave neither a Yes or No response. In addition 2 secondary school responses agreed with the basis for determining the primary value but not the secondary value.

Per Pupil

11. The consultation included the proposal to allocate the remaining additional funding on a per pupil basis and asked whether the majority of additional funding should be allocated on a per pupil basis. Of the responses received, 22 gave a Yes response, 2 gave a No response and one gave neither a Yes or No response.

Other formula factors

12. Of the 25 responses received 15 schools responded in agreement with the proposal not to allocate any of the additional funding on other formula factors, 10 disagreed with the proposal and felt other factors should also be used. Other than some responses given that state additional funding should be applied to the lump sum factor to protect all small schools it is not clear from all of the responses not in agreement with the proposal the reason why additional funding should be applied to other factors within the formula.

Summary

13. Overall the majority of responses received favour the proposals within the consultation as recommended by Schools Forum.

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School Funding 2015-16 Consultation Responses

School	NOR (Oct13)	Q1 – Maintaining sparsity distance and NOR criteria	Q2 – Basis for determining value of sparsity funding	Q3 – Majority of Pupil-led basis	Q4 – Other formula factors	Other Comments
Adderley	41	No. As I do not feel this is reflecting the intention by government to support small rural schools. I would like to see the criteria to be as intended: for primary schools, fewer than 150 pupils and an average distance greater than or equal to 2 miles.	Yes as the basis does appear fair.	Yes as this would be fair to both larger and smaller schools.	Yes, however I also feel that the age weighted pupil unit should be discussed and clarified as governors may be unsure of this.	The issue for all schools is that costs keep rising and large schools should benefit alongside small rural school. I would however find it difficult to explain to parents that having fought hard as a county to secure better funding siting rural sparsity as a huge issue for Shropshire, that as a rural small school we are no better off as any additional funding would affect the mfg. There are very few small schools who will not have sustainability as a constant item on their governing body agendas. We know we are expensive and that larger schools can feel they are paying the price for keeping us open. However, we have an important role in our communities and in Shropshire as a whole.
St Mary's Westbury	51	Yes I agree it should remain at 3 miles.	Yes I agree with the tapered approach.	Additional Funding should be given to schools with the greatest needs. Percentage of FSM and SEN children.	Yes all of those factors should be considered.	I think it is important that the smallest schools are looked at in terms of the basic running costs and the need to retain their current Head teachers and the increased costs of doing so. Significant changes to the funding of Shropshire's smallest and most rural schools that result in an overall reduction to the budget will effectively result in that school becoming unsustainable and provide transport costs and pressures on other schools in the locality if the school were forced to close. Consideration should also be given to schools that are providing Early Years provision on their site so that that provision can also remain sustainable. Areas of social deprivation and need in rural areas should also be considered.
Orton in Wales	63	Agree with distance criteria but believe pupil thresholds quite high when you look at the number of schools with less than 150 on roll in Shropshire	Increase in funding to sparse secondary schools seems out of proportion going from 40k to 100k	Yes	No – fairer to keep on per pupil basis – there is already Pupil Premium etc which support other factors	The recommended increase per pupil will make a massive difference to the sustainability of small schools and will make it easier to put all the focus on learning rather than getting drawn into constant budget challenges.
Myddle	67	Yes, we don't see any issue with this.	No, would want to see what evidence shows that an increase is necessary, i.e. what the funding is required for. However, in the % of funding to provide to all schools, it is negligible.	In principle, yes, but the nature of operating small schools where financial stability and viability can depend on small fluctuations in pupil numbers, means that some overriding funding factors would be preferable should this be the case, obviously if this is allowed within the delegation rules. In the example shown of a school with static 72 NOR, the increase in pupil led funding and the resulting loss in MFG, meant a total funding position of less than the previous year. This should be mitigated by an increase in MFG to ensure that no school with static numbers, not a falling roll, is worse off after the additional funding is provided, than the previous year.	Yes, lump sums to protect small school's financial fluctuations based on very small awpu changes, as in answer to Q3	We would hope to see a 0% MFG as a negative % MFG would mean that our school would actually lose out.
Barrow	68	Yes	Yes	YES, but a mechanism should be found to ensure it does not impact MFG	YES - see comments below	Whilst recognising the benefit additional pupil funding will bring, we are disappointed that the method for allocation continues to discriminate against small schools. The process of giving with one hand (the additional per pupil; funding) but by implication also then taking away with the other (reducing MFG), means that small schools have no benefit from this. As your own worked example shows some small schools will be worse off. We would welcome consideration of this additional funding being distributed where SEN funding is not sufficient to meet a schools existing needs.

<p>Church Preen</p>	<p>72</p>	<p>My only concern here is that due to the way in which the qualification for sparsity funding is worked out, it is possible that with shifting school population, a school may fail to qualify for one or two years. Since a school will not know that it has failed to qualify until shortly before the financial year starts it could face a serious loss of funding with only a short time to react. It is also likely that this will be a temporary matter unless the initial qualify was a statistical fluke. I realise that this is beyond the scope of the LEA, since it is part of the national guidelines but consider that representations should be made to government to allow a phased wind down of funding if a school drops out of sparsity, or alternatively allow sparsity to continue to be given until, a school which once qualifies, fails for say three years in row. This will at least allow some certainty in funding. On the other side of the coin, a school should only be given sparsity if it qualifies for three years in a row, under the current criteria. I would also commend the council for getting a concession to allow the road distance for some schools that may otherwise have fallen outside the criteria. I myself live 2.5 miles from Rushbury school as the crow flies but 5 miles by road.</p>	<p>I disagree with the thinking behind the increase in funding. The deficit in core school funding of small primary schools applies to all small primary schools regardless of whether the school is sparse. This should be addressed by increasing the lump sum paid to all primary schools. Otherwise by accepting that the lump sum does not cover core expenditure, the LEA is accepting that it is underfunding small non sparse primaries which is a disguised way of seeking their self closure due to lack of funding over a number of years. Sparsity funding should more properly be used to help sparse schools cover the true costs of sparsity such as securing transport for children who are denied access to after school clubs because they cannot get transport home after the school bus has left and other similar issues. If Sparse schools were properly funded by the lump sum in the first place then a separate study should be carried out to ascertain the true additional costs caused by sparsity.</p>	<p>For the reasons set out above I do not agree that the additional funding should be allocated on a per pupil basis, it should instead be used to increase the lump sum to achieve what the government intended it to cover which is the cost of opening a school with no pupils.</p>	<p>See above.</p>	
<p>Clive</p>	<p>74</p>	<p>No. We think that the Governments original guidelines provide a better definition of 'sparse'. The criteria was established with the aim of providing additional support to small schools in rural areas, but as currently applied by the County, assists only a very small number of these schools. Moreover, we note that additional funds distributed by way of AWPU will lead to a corresponding reduction in the cases of schools in receipt of MFG. In many cases it will be the small schools who do not benefit from sparsity payments which will see their increase in AWPU funding offset by the reduction in MFG. Has the County a model showing the correlation between the schools which could benefit under the Sparsity factor as applied most widely, and those that are in receipt of MFG? We would like to see these figures. We suggest that the Sparsity factor is fully applied (the amount will need to be determined in the light of the number of additional schools qualifying), and that a corresponding reduction is made in the amount of uplift in AWPU. Shropshire has been lucky enough to obtain a significant increase</p>	<p>No. Please see 1 above. The figures seem somewhat arbitrary.</p>	<p>No. Please see 1 above. The current proposals mean that many schools will see no increase at all.</p>	<p>Please see 1 above. In addition, we note that there is no mention of lump sum payments and no indication as to whether such payments were considered. Why is this?</p>	<p>In our view the many small schools of Shropshire are yet again being penalised. Given that additional funding of £297 per pupil is available, all schools should benefit.</p>

		in DSG funding, but the current proposals for distribution mean that many schools will see no benefit, and could well be looking at a reduced budget. In our view this is wholly inequitable.				
Stottesdon	84	We do agree that the sparse factor of some of our schools should be acknowledged as sparsity does present educational and financial challenges. We also acknowledge that the LA has a duty to identify the most sparse schools in the county in order to target this funding effectively. We acknowledge that doing this is not easy! However the crude nature of the measure (particularly the 'as the crow flies') is of concern. It is believed that the measure misses the sparse nature of some schools because it does not take into account the roads that need to be used. It also does not consider the geographical location or other challenging circumstances for some schools (for example the lack of hall facilities, in our case, which makes complying with statutory PE provision extremely difficult in the winter time without transporting children considerable distances.) We would support more 'bespoke' measures/criteria which acknowledged individual circumstances..... e.g. acknowledged location and real distance on the roads. As raised in the meeting, it would concern us if there was a correlation between schools who would trigger sparsity (over 2miles) and those who gain no net benefit from additional funding as a result of it being cancelled out by MFG. If this correlation is true we would request that the LA consider whether Funding Arrangements are in place to protect schools in sparse areas that WOULD be crucial to an sustainable network of schools.	Overall yes.....but..... We can see the logic of the tapered approach but would like to point out that the additional sparsity costings are equally significant if you are less than 50 (and fit on a coach) or less than a 100 (and fit on two coaches). Apologies for the simplistic analogy but we have experience of being less than 50 and less than 100 and neither seems easier! Therefore we wonder whether the tapered approach gives the impression of the smaller you are the harder it is.....? Being in a small school, which is in a geographically isolated area, has its challenges whether you are less than 100 or less than 50. It is hard to have a completely objective view but hope school's forum have debated giving a lump sum (if you meet the criteria) as an acknowledgement to all who meet the criteria, regardless of size within the criteria, of the challenges of being in a geographically sparse area.	Yes. This does seem the fairest and most simplistic way forward. There are other factors in place to support FSM/low attainment.....	No – see above	We would like to thank School's Forum, Gwyneth, Rob and the finance team for their hard work in this area. The presentation at Lord Hill was very comprehensive and thorough. We look forward to new budget modelling initiatives. I have always come away impressed with how the LA/School's forum seem dedicated to making objective decisions for the good of all and in the fairest way.
Hinstock	99	As a school that is 3.7 miles from our nearest school if you go by car and 3.1 miles if you walk, but 2.7 miles if you go as the crow flies, we do not agree in sparsity funding measuring distances in terms of crows. A child would have to be transported from Hinstock to our nearest neighbour and the route is over 3 miles and very tricky. The distance should be measured using mapping devices that can calculate the transport distance rather than the outdated 'as a crow flies measure'. A scaling measure from 0 - 150 is also slightly strange when a school would surely not be open if the NOR was zero, is there not a range which could begin at the smallest of our schools or the smallest number they can be open at?	A scaling measure from 0 -150 is also slightly strange when a school would surely not be open if the NOR was zero, is there not a range which could begin at the smallest of our schools or the smallest number they can be open at?	Fundamentally additional funding should be allocated on a per pupil basis however the gradual removal of MFG would be of concern to small schools. If this was continued to be balanced with AWPU anomalies that happen in small schools, such as mobility issues and yearly NOR changes, would be balanced out.	No	None

Stoke on Tern	106	Yes – it is not a large proportion of the total funding and it is directed at the schools with greatest need	Yes	Yes I think that per pupil is the fairest method as it does not over protect small schools at the expense of larger ones. I think it is important to move away from previous formulas which worked on different criteria to one which is more equitable to all children.	No	
Whixall CE Primary	124	We agree in principle with sparsity criteria however we think that 2 miles is a more realistic criteria.	Yes we agree with the additional sparsity funding recommendation.	Yes we agree with this proposal.	<ul style="list-style-type: none"> • Age weighted – due to the additional costs of staffing. • Lump sum – would help small schools to protect services and essential Entitlements • Free School Meals - Ensures the maximum support for those children who most need it. 	
Minsterley	138	Yes	Yes	Yes	I agree with using all of the factors listed in para 8.	
Wilfred Owen	187	Yes. The sparsity criteria identifies those schools for which sparsity is a real issue where there potentially could be no alternative option in terms of provision without disadvantaging pupils. Due to the nature of the county in which a number of schools are located rurally it is wise to target additional funding to those who are in real need rather than a relatively short distance away.	Yes	Yes, whilst there are concerns around the impact of increased additional funding on a per pupil basis on the MFG which may lead to some schools seeing a decrease in their budget in real terms next year, I accept school forums recommendations that this is the fairest way to allocate.	Additional funding already comes into school based on a number of these other local funding formulas such as pupil premium for FSM, so I feel that a wider number of pupils will benefit from the AWPU allocation as recommended by Schools Forum.	
Mount Pleasant	229	Schools which are in remote locations should receive sparsity funding providing they do serve enough pupils to justify existence. I would suggest 10 pupils per year group in a primary and certainly no fewer than 5 per year group.	Yes, but see first box re. pupil numbers	Yes	Yes. Those which relate to giving additional funding to pupils from disadvantaged backgrounds are very important. The pupil premium does not go far enough to help these pupil who need so much support to develop their literacy and numeracy skills.	We are still waiting for the LA to refund money taken in error from our budget for a pathway (£2810.50) to install CCTV and put in a damp-proof membrane for 2/3 of the building. It is unfair for the school's budget to be used for essentials promised as part of the amalgamation/refurbishment
Mereside	231	Yes, these criteria do really narrow things down to a structure that reflects need not historical preference and personal feelings	Yes. As the sparsity criteria mean that only those schools that are really needed are included in the calculation then it seems right that if additional funding is needed to maintain quality of provision it should be provided if possible.	Yes. This may mean hard times for many including my own school but it is the most equitable criteria.	No. I feel strongly that Schools Forum have selected the two most applicable criteria. AWPU means equitable distribution for the majority and Sparsity as applied using the 3 and 9 mile rule and the pupil numbers recognises our unique needs as a large rural county. All other factors are far less important to our pupils needs.	I would like to pass on my thanks to Schools Forum and finance for their hard work on this crucial matter. The solution that is suggested seems by far the fairest and will perhaps focus minds finally on the need to change our ways a little.
Ludlow Junior	262	Not really, but it is only a small amount of money. I don't understand why sparsity requires more money.	yes	yes	no	
Radbrook	287	Yes	Yes	Yes	No	Thank you to SF for all the hard work on this
Greenfields	342	I agree. The Government have recognised sparsity as an issue in Shropshire and I feel the agreement is fair to recognise sparsity in terms of	Yes	Yes, come in as per pupil amount from the government then it is only fair it comes to schools as a per pupil amount.	Yes all. Will reflect the number of pupils each school as giving us a fairer deal per pupil. Low attainment / FSM/idaci	I feel it is important to recognise that the differential per pupil in each school is a low as possible to represent a fair deal per pupil. I feel the group have worked hard to ensure fairness and flexibility in the funding formula.

		distance and numbers on role.			support pupils who need it most. Lump sum/rates will ensure schools can meet basic needs. Sparsity as before has been recognised so should apply for schools. Split site reflects local issues to individual schools.	It is essential we finish with a group of schools that any changes in formula lead to them not being viable and this will be a major step in that direction. Thank you for the process so far.
Oxon	401	Yes	Yes	Yes	No	Fully support the proposals
St Peter's Wem	403	Yes. It is important that real sparsity is not confused with all small schools. Much work was done over the last 24 months to clarify and identify sparse schools. The current parameters have already been considered fair as part of the larger reforms to Shropshire's local funding formula. Extra DSG should not impact on these parameters, when the parameters consulted on and in previous years are agreed to as being fair by schools through previous consultation and Schools Forum recommendations. To dilute the Sparsity factor within the formula by widening the parameters would impact negatively on those schools who have been fairly identified as sparse and potentially undermine the current work into the sustainability of Shropshire's Schools.	If extra DSG allows for the full implementation of the sparsity factor as it was intended then we agree.	We agree. Previous extensive consideration of school budgets have given factors in the funding formula such as Lump Sum and Sparsity which recognise that core funding needs to address core costs. As these factors already exist, and have been implemented fairly then it is correct that this 'new' DSG be distributed on a per pupil basis through AWPU.	As the current funding formula is fair we believe that this fairest allocation of this additional funding is AWPU in line with our answer to Q3. All schools benefit equally through an increase in AWPU, which can't be said if other formula factors are used.	
Coleham	403	I think it is fair to use these factors because it means that only the very small schools, that are truly sparse, are targeted. On the other hand though, I think the most important factor for delegating the money has to be on a per pupil basis so that the money follows the children and we have to perhaps, at some point, consider the viability and sustainability of some of the very small schools in the county. In the long run, would it not be more cost effective if some of these schools amalgamated and pooled resources/buildings/teachers etc? More money could then be directly spent on helping each child in each school to achieve his/her absolute best. I appreciate that this is a decision that cannot be taken lightly and that it is one that would evoke a lot of emotion. So in the meantime, for 2015-16, it seems fair to calculate sparsity funding in this way.	Yes, if we are looking to continue to provide sparsity funding, it seems fair to calculate the additional sparsity funding in this way considering that the very small schools will not see much of an increase in funds if their pupil numbers are so small.	We agree 100% with this statement. We have been underfunded at Coleham for many years and it has been a real struggle to manage the budget and afford all of the necessary resources to enable the children to make good progress and attain the standards that they should in readiness for secondary school. Benchmarking has shown that we are extremely underfunded compared to other schools of a similar size across the country. We have, for a long time felt that the funding system in Shropshire was unfair for larger schools like ourselves. We may represent relatively few schools but we represent a lot of children in the county and it only seems fair that each child should receive a standard amount of money and that this money should follow them if they move schools. It is definitely the fairest way of sharing out the money.	I do not feel it is necessary to consider other local formula factors at this stage.	
Lacon Childe	530	NO (in terms of distance- the real criteria for sparsity) It does not appear fair that the governments figures/recommendations for establishing whether a school is sparse have not been applied equitably in Shropshire. Primary schools saw an increase of just 50% in the governments recommended distance factor, whereas secondary school distance was	YES It would appear that this is a fair way of allocating additional funding. For Primary Schools on a sliding scale. NO £100k flat rate, an increase of	YES All schools benefit equally and it appears fair	NO All schools have these issues in a greater or lesser degree and would even themselves out when all factors are taken into account.	The introduction last year of additional funding on the basis of sparsity was the first time the difficulty of being a remote, inaccessible, geographically rural and small school were taken into account. In a county as rurally challenged as Shropshire, with the fact that some schools have catchment areas bigger than some education authorities, that so few schools benefitted from the additional funding. The sense of unfairness and inequality prevails. The Schools Forum have another opportunity to rectify this significant funding issue and for once acknowledge that the factors that go into sparsity have a direct impact on the resources and

	<p>increased 200% from 3 miles to 9 miles. The rules appear to have been manipulated so that the effect on the other schools in Shropshire was reduced. Distance from a second school for students set so great does not accurately reflect the notion of sparsity. Some schools, because of location have a 2square mile catchment area whilst others can have a 200square mile catchment. Under the current Shropshire guidelines, how can this be fair or equitable?</p> <p>As a very remote, rural school which has less than 600 students and is 12 miles from its nearest school, we at Lacon are given no allowance to compensate for our geographical location. It all has knock on cost effects on our school budget. It costs more for our sports teams to visit other schools, our teachers to attend training courses,(most of which are in Shrewsbury), we try to put on transport so that our students can take part in extra curricular activities but this all has cost implications. The sparsity funding was meant to reduce this additional burden on schools in rural settings. We are judged and classed in the same category for sparsity as the schools in Shrewsbury, how can this be fair or equitable.</p> <p>Due to falling numbers in rural Shropshire we have tried to widen our pupil catchment area and have succeeded in attracting students from a wider area in South Shropshire and West Worcestershire. Parents see the choice of Lacon as a preferred option and we pick up many students who live a way from school. Our successful recruitment of students and the preferred choice of parents is nowaffecting our ability to claim any form of sparsity funding, even though we attract students from a wider catchment base yearly.</p> <p>It is difficult to believe that in one of the most rural counties in England, only 10 primary and 1 secondary schools are eligible for additional support funding. If the increase in distance were equal between primary and secondary it would appear to be more fair. For example if the secondary distance were increased by the same 50% as primary, the rationale for delegating additional funding would appear to reflect a more equitable process. It does, to those of us outside of Schools Forum, look like the model which costs the least was applied. When there was no additional funding this could have been seen as a</p>	<p>150% is too great. Maybe restrict the flat rate to a 50% increase as this is additional funding (£60k) This could offset the cost of having more secondary schools receiving sparsity.</p>			<p>funding available to these schools. At less than 2% of the whole additional funding budget, making sure that our sparse schools benefit from the funding and once again are not penalised would be the most fair option.</p>
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		<p>necessary decision to take, however, the funding being set aside this year is additional funding and the criteria for awarding additional funding should therefore reflect this change.</p> <p>Of course, all schools in Shropshire will fight their particular corner, yet once again, small, rural and geographically isolated schools will not get fair funding, despite this being new money coming into the authority. Understandably, last year, there was no additional funding for allocation. This year there is and should reflect the characteristics of the county. Even by doubling the levels set by the DfES, schools would see the proposal as fairer for truly rural schools. The difficulties faced by schools that should be additionally funded are never fully appreciated in areas where simply taking a sports team to play at another school costs in excess of £250 per visit, where petrol claims for courses at STDC cost 20x what a school in Shrewsbury faces, where getting trainers and training companies to visit costs more in expenses. Not only is it unfair it discriminates against small rural schools who are trying to provide the best education and extra curricular programme they can for its students. Schools Forum should reflect the individual characteristics and difficulties schools like ours face before they agree, as I am sure they will, to maintain the current unfair distance criteria..</p> <p>YES (in terms of pupil number thresholds)</p> <p>It is difficult to understand why pupil numbers should reflect sparsity as the fact is still that small, rural geographically isolated schools face sparsity issues whether they have 50 pupils or 500. It is the geographical nature of the school which impacts on cost. However, we feel that the current application of primary schools less than 150 pupils and secondary schools of less than 600 is a nationally suggested limit and should be applied</p>				
The Corbet	682	Yes we agree that the threshold measures for sparsity are those proposed in the consultation document	Yes we agree with this	We very much support this and feel that this is the fairest way of distributing the additional funding	No we do not think other factors should be used.	We strongly support the schools forum recommendation for how the additional funding should be distributed to schools.
The Thomas Adams School	1050	Yes. We are happy for schools in the sparsest situations to receive additional support.	Yes. This seems fair.	Yes. Strongly agree. Pupil focused funding is the fairest and most effective means of distributing school income.	No. There are already sufficient factors in the funding formula.	This additional funding is welcome and overdue. We must continue lobbying to ensure that the National Funding Formula for Schools does not disappear from the Government agenda.

<p>The Marches Academy Trust</p>	<p>1199</p>	<p>No. We agree with maintaining the sparsity criteria for primaries to ensure that the smallest, most rural community schools remain viable. However, we think that sparsity should not be used for secondary Schools who by their nature are sparse and bring in pupils from a wider area.</p>	<p>We agree to the basis for determining the primary sparsity funding. However, as per our answer to question 1, we disagree with secondary sparsity funding. The fact that there is only one School attracting this funding doesn't give you a large enough pool of schools to look at to determine the 'core expenditure' levels and it could be seen as that school being subsidised as a cost to others.</p>	<p>Yes. Using this additional funding to increase the AWPU and thereby remove the reliance of some Schools on the MFG is, we believe, the correct way to use the money and build a sustainable platform for Shropshire Schools to move forward with a transparent funding model and provide a positive step towards a national funding formula in the future</p>	<p>No</p>	
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Schools Forum

Date: 18 September 2014

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

B

Public

School Funding Reforms 2015-16

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 253875 Fax: 01743 254538

Summary

Following significant reforms to school funding arrangements from April 2013 and further reforms from April 2014, the Government confirmed in July 2014 the next stage of reforms as it continues to move towards a national fair funding formula. The full detail of the latest reforms is available at

www.gov.uk/government/publications/fairer-schools-funding-arrangements-for-2015-to-2016

From April 2015 the least funded local authorities in England will receive additional Dedicated Schools Grant (DSG) funding up to a nationally prescribed minimum funding level. As one of the lowest funded local authorities, Shropshire will benefit from this additional funding.

The Schools Forum Task & Finish Group on Sustainability has modelled and considered various options for allocating the additional funding to Shropshire schools from April 2015 and their recommendation is included within this report.

These latest reforms also include other changes to DSG funding arrangements which are included within this report.

As a reminder, whilst Schools Forum can recommend changes to the funding formula, including redistributions, decisions are made by the local authority.

Recommendation

Schools Forum is requested to:

1. note the confirmation of additional funding for Shropshire schools from April 2015 and other changes required to DSG funding arrangements.
2. agree the recommendations proposed by the Task & Finish Group on the allocation of the additional funding through the local funding formula, as detailed in paragraphs 28, 30, 31 and 33.

REPORT

Background

1. In March 2014 the Government launched a consultation document setting out the next phase of school funding reforms for 5 to 16 year olds, aiming to begin to address the unfairness of the current funding system. The consultation document 'Fairer Schools Funding in 2015-16' proposed allocating an additional £350m to schools in the least fairly funded local authorities in England in the 2015-16 financial year.
2. Shropshire Schools Forum submitted a response to the consultation which ran until 30 April 2014.
3. On 17 July 2014 the Government confirmed additional funding to the lowest funded local authorities in England and at the same time announced a number of further reforms to the schools funding system for 2015-16.

Fairer Funding for Schools from April 2015

4. Following consultation, the Government confirmed the allocation of an additional £390m from April 2015. **Shropshire will receive an additional £297 per pupil in schools block funding within the DSG. Based on October 2013 census data this equates to an additional £10.37m, a 7.2% increase to the schools block.** Shropshire is the 4th highest gainer out of 69 local authorities in England receiving additional funding.
5. Through the additional £390m funding available, every local authority's allocation of funding will reflect a minimum basic per pupil amount and minimum amounts reflecting other pupil and school characteristics. The 2015-16 minimum funding levels (MFLs) are based on the average amounts that local authorities allocated to these characteristics in their local funding formulae in 2014-15.
6. The Fairer Schools Funding documentation makes it clear that local authorities will not be obliged to use all these factors in their local formulae in 2015-16 (with the exception of the basic per pupil amount and the deprivation factor, which are mandatory). Nor will a local authority that chooses to use any of these seven factors be obliged to set that factor at or above the MFL. Individual schools should not therefore expect that their funding will necessarily be at or above the minimum funding levels.

Long Term Reform of High Needs and Early Years Funding

7. The Government acknowledges the concerns of many local authorities that the application of the MFL is only to the schools block unit of funding, rather than across the entire DSG, which also includes funding for high needs and early years pupils. However they have concluded that it would be wrong to alter the allocation of high needs and early years funding without sufficient evidence on how the need for funding varies between different areas.
8. To enable future reforms to the High Needs funding block within the DSG, the Government will begin research in the autumn with a view to consulting on the

way that high needs funding should be distributed, both from central government to local authorities and from local authorities to institutions.

9. It remains the Government's intention to achieve a fair distribution of early years funding through a national early years funding formula. Further work is required before a formulaic approach can be introduced. For 2015-16 additional funding for early years will be provided through a new early years' pupil premium.

Refinements to the Sparsity Factor

10. From April 2014 a new sparsity factor was introduced in local funding formulae. The purpose of this factor is to enable local authorities to provide an additional sum to small schools serving sparsely populated areas where those schools may not be able to operate on the basis of per pupil funding alone.
11. Currently a sparsity distance is calculated for every school in England using the average distance (as the crow flies), for each pupil for whom the school is the closest, from their postcode to their second nearest school.
12. Current regulations allow sparsity funding to be allocated where a school has:
 - 150 or fewer pupils in primary or 600 or fewer pupils in secondary and all-through schools; and
 - a sparsity distance of 2 miles or more for primary and all-through schools and 3 miles or more for secondary schools.
13. Sparsity funding can be allocated on a fixed sum (up to a maximum of £100,000) or on a tapered basis.
14. From April 2015, local authorities will be required to use new average year group size thresholds in place of the number on roll criteria. For example the average year group threshold for primary schools will be 21.4 pupils (150 / 7 year groups). An infant school will therefore only be eligible for sparsity funding if it has less than 86 pupils (21.4 x 4 year groups).
15. As in 2014-15, these size and distance thresholds are maximum thresholds and a local authority will be free to choose to set lower thresholds. Lower thresholds were used in Shropshire's local formula in 2014-15.
16. From April 2015 local authorities will be able to make an application to the Education Funding Agency (EFA) to include an exceptional sparsity factor to allocate up to an additional £50,000 to small secondary schools where they have 350 pupils or fewer and a sparsity distance of 5 miles or more. Currently no Shropshire secondary school would qualify for this exceptional sparsity factor.

Simplifying the Administration of Academies Funding

17. To simplify the funding system and to ensure all schools and academies will be funded on the same basis, from April 2015 funding for all schools including non-recoupment academies and free schools will be included in local authority DSG allocations. Local authorities will calculate funding for all academies and free schools through their local funding formula which will be recouped by the EFA

which has responsibility for funding academies and free schools. Any central DSG funding must be made available to all schools in the area on an equal basis, including former non-recoupment academies and free schools.

18. Shropshire has no non-recoupment academies and one free school.

Carbon Reduction Commitment

19. The carbon reduction commitment (CRC) scheme is designed to reduce emissions in the public and private sectors by incentivising the uptake of cost-effective energy efficiency opportunities. In 2014-15 the Government removed schools from the main scheme and instead reduced each local authority's DSG in order to pay for schools' contribution to the CRC scheme. The deduction to each local authority's DSG was calculated on the basis of their spending in 2013-14 on CRC allowances for schools as declared on section 251 returns.
20. For 2015-16 the Government will revise this method and the deduction from the DSG will be made on a simple per pupil basis. Each local authority's DSG will be reduced by £7.51 per pupil. Based on October 2013 census data, this will result in a reduction of £262,242 (34,919 pupils x £7.51) from Shropshire's DSG. The reduction in 2014-15 based on 2013-14 spend was £267,000.

Changes to High Needs Funding for 2015-16

21. The latest funding reforms include three changes to high needs funding arrangements for 2015-16.
22. Firstly, the high needs place numbers used for the academic year 2015/16 will be the published numbers for 2014/15. Local authorities and institutions will be able to identify significant changes in SEN places that require more place funding and submit an exceptional case application to the EFA for an increase to an institution's 2015/16 academic year place numbers. The template for applications must be submitted by 17 October 2014.
23. Secondly, from 2015/16 changes to the scale and nature of alternative provision will be met by local authorities, schools and academies within their existing funding. This will mean that local authorities and their schools bear the cost of any increase in alternative provision places for pupils who would otherwise be in mainstream schools but for the placement decisions they have made.
24. Thirdly, the Government is currently consulting on draft School and Early Years Finance Regulations that include an increase in the funding of alternative provision places from £8,000 to £10,000 per place per annum from September 2015. It will be expected that corresponding reductions in the top-up funding for alternative provision will take place so that the adjustment is cost neutral for local authorities and schools.

Recommendations from the Schools Forum Task & Finish Group

25. The Shropshire Schools Forum Sustainability Task & Finish Group, advised and supported by Shropshire Council's administration Task & Finish Group, considered various models over the summer for distributing the additional funding fairly to Shropshire schools. As the confirmed additional DSG per pupil

funding level of £297 was not announced until the 17 July all modelling considered by the group was based on the originally proposed additional DSG per pupil funding value of £255. All modelling has been carried out based on October 2013 census data. Actual school funding allocations for 2015-16 will be based on October 2014 census data.

26. Further to the detailed consideration of various funding models, the Task & Finish Group agreed on 26 June 2014 to recommend to Schools Forum an increase to the current sparsity funding delivered to schools through the funding formula to a level that demonstrated a fair and appropriate allocation and to distribute remaining funding on a flat rate per pupil basis across all schools.

Sparsity Funding

27. The group considered the Government's maximum sparsity threshold levels and concluded that the Government's distance thresholds of 2 or more miles for primary schools and 3 or more miles for secondary and all-through schools did not define a school as being sparse.
28. To ensure sparsity funding is targeted at Shropshire's sparse schools the Task & Finish Group **recommend that Shropshire's primary school sparsity distance measure remain at 3 or more miles and that Shropshire's secondary school sparsity distance measure remain at 9 or more miles.** This delivers sparsity funding to 10 primary schools based on October 2013 census data and one secondary school.
29. In 2013-14 the local authority successfully applied to the EFA to include an additional 4 Shropshire primary schools where the actual road travel distances significantly exceeded their sparsity distance using the crow flies measure and would not otherwise have been eligible. It is expected that these 4 primary schools will remain eligible for sparsity funding in 2015-16.
30. To achieve a fair and appropriate sparsity funding allocation level the group considered minimum school expenditure levels of small primary schools and the additional targeted sparsity funding that would be required to ensure sparse schools received funding to meet at least these minimum expenditure levels. On this basis the group **recommend increasing the funding to £50,000 on a tapered approach, from £30,000 in 2014-15, for relevant sparse primary schools.**
31. Based on analysis of current funding levels and expenditure requirements of the individual secondary school the group **recommend increasing sparsity funding to £100,000 on a flat rate approach, from £40,000 in 2014-15, for secondary schools.**
32. Based on October 2013 census data this increase to sparsity funding in secondary and primary schools costs an additional £198,800.

Age Weighted Pupil Unit (AWPU) Funding

33. For fairness the Task & Finish Group **recommend that the remaining additional funding be distributed on a flat rate per pupil basis across all schools.** Any increase to the age weighted pupil unit (AWPU) funding within the

funding formula to schools will have a corresponding impact on the level of minimum funding guarantee (MFG) that a school attracts. As the AWPU increases, the MFG reduces. The release of MFG allows for more funding to be allocated through the AWPU.

34. The modelling considered by the Task & Finish Group based on the proposed additional DSG funding of £255 per pupil resulted in, after the changes to sparsity funding and recycling of MFG, an increase of £289.86 per pupil across all primary, secondary and all-through schools in Shropshire.
35. Based on the confirmed additional DSG funding of £297 per pupil the resulting AWPU increase would be £333.39.
36. There are two important points to note:
 - For many Shropshire schools new additional funding may either all, or in part, be offset by a corresponding reduction to their MFG protection funding initially;
 - the final AWPU value within schools 2015-16 budget share allocations will be determined after all 2015-16 DSG pressures, including high needs places and provision costs, are taken into account.

Headteachers of Shropshire maintained schools,
academies and free school

Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire SY2 6ND

Date: 11 November 2014

My Ref:

Your Ref

Dear Colleague

School Funding Reforms 2015-16

Following significant reforms to school funding arrangements from April 2013 and further reforms from April 2014, the Government confirmed in July 2014 the next stage of reforms as it continues to move towards a national fair funding formula.

From April 2015 the least funded local authorities in England will receive additional Dedicated Schools Grant (DSG) funding up to a nationally prescribed minimum funding level. As one of the lowest funded local authorities, Shropshire will benefit from this additional funding.

Following consultation, the Government confirmed the allocation of an additional £390m from April 2015. **Shropshire will receive an additional £297 per pupil in schools block funding within the DSG. Based on October 2013 census data this equates to an additional £10.37m, a 7.2% increase.** Shropshire is the 4th highest gainer out of 69 gaining local authorities in England.

At their meeting on 18 September 2014, Shropshire Schools Forum considered options for distributing the additional funding as fairly as possible to Shropshire maintained schools, academies and free school through the local funding formula. Their recommendation was included in a consultation document sent to all Shropshire maintained schools, academies and free school on 22 September 2014, inviting responses. As part of the consultation process a meeting was held at the Lord Hill Hotel on 2 October 2014 where headteachers and chairs of governors/chairs of finance were invited to discuss the recommendations in more detail before the consultation response deadline of 16 October 2014.

A total of 25 responses (17%) were received from Shropshire maintained schools, academies and free school. Schools Forum met again on 23 October 2014 to consider each of the individual responses received and the points raised at the consultation meeting.

Overall the majority of responses received from schools to the consultation were in favour of the recommendation proposed by Schools Forum.

This letter provides details of the final recommendation, following consultation, made by Shropshire Schools Forum at their meeting on 23 October 2014. This formed the basis of the local authority's provisional funding reform proforma submitted to the Education

Funding Agency (EFA) at the end of October 2014 for the financial year 2015-16. For maintained schools a copy of the proforma is attached to this letter for information. Academies will receive their copy directly from the EFA. Please note that it includes **provisional** information in relation to Shropshire schools' delegated budget shares from April 2015. The data set uses October 2013 school census data. Actual allocations for 2015-16 will be based on October 2014 school census data and therefore the unit values recorded in this provisional proforma will change.

The local authority's actual funding reform proforma based on October 2014 data will be submitted to the EFA by the end of January 2015. Individual school budget shares for the financial year 2015-16 will be provided to maintained schools by the local authority as soon as possible after the submission to the EFA is made. Academies and the free school will receive their budget share allocations directly from the EFA.

The outcome of the consultation and Schools Forum's final recommendation is detailed below. A final decision will be made by Cabinet in December.

Sparsity

Sparsity has been an allowable factor within the local funding formula since April 2014.

Sparsity funding can be targeted at schools based on numbers on roll (NOR) and the average 'crow flies' distance that pupils live from their second nearest school. The Government's maximum threshold criteria is as follows:

- For primary, less than 150 on roll (on average fewer than 21.4 pupils per year group) and an average distance greater than or equal to 2 miles
- For secondary, less than 600 on roll (on average fewer than 120 pupils per year group) and an average distance greater than or equal to 3 miles
- For all-through, on average fewer than 62.5 pupils per year group and an average distance greater than or equal to 2 miles.

Local authorities can narrow the Government's maximum sparsity criteria but cannot widen them. Funding can be allocated on a tapered approach from a maximum of £100,000 or on a flat rate basis capped at £100,000 per eligible school.

Following consultation the sparsity threshold criteria was narrowed in Shropshire in 2014-15, and Schools Forum recommended the narrowed criteria remain in 2015-16 as follows:

- For primary, less than 150 on roll (on average fewer than 21.4 pupils per year group) and an average distance greater than or equal to 3 miles
- For secondary, less than 450 on roll (on average fewer than 90 pupils per year group) and an average distance greater than or equal to 9 miles
- For all-through, a combination of the Primary and Secondary thresholds.

However, to achieve a fair and appropriate sparsity funding allocation level, based on the consideration of core expenditure costs, Shropshire Schools Forum recommended increasing the funding to £50,000 on a tapered approach in 2015-16 (from £30,000 in 2014-15) for relevant sparse primary schools and increasing sparsity funding to £100,000 on a flat rate approach in 2015-16 (from £40,000 in 2014-15) for relevant sparse secondary schools.

Based on October 2013 data, 14 Shropshire primary schools and one Shropshire secondary school attract sparsity funding.

The recommended increase to sparsity funding costs an additional £198,800.

The majority of responses to this area of the consultation were in support of the recommendation.

Overall 60% of responses agreed that the primary criteria should remain at fewer than 150 pupils and greater than or equal to 3 miles. Of the secondary school responses 50% agreed the criteria for secondary schools should remain at fewer than 450 on roll and greater than or equal to 9 miles, 25% responded that the Government's maximum secondary school threshold criteria should be used and 25% responded that sparsity funding should not be allocated to any secondary school.

After consideration of the consultation responses, **Schools Forum recommended retaining the criteria for sparsity funding in line with their recommendation within the consultation as follows:**

- **Primary – less than 150 on roll (21.4 average year group) and greater than or equal to 3 miles**
- **Secondary – less than 450 on roll (90 average year group) and greater than or equal to 9 miles**
- **All-through – combination of the above.**

Overall 76% of the responses agreed with basing the amount of sparsity funding on the consideration of core expenditure costs and increasing the amount of funding allocated to sparse schools. After consideration of the consultation responses, **Schools Forum recommended increasing the funding allocated through the sparsity factor in line with their recommendation within the consultation as follows:**

- **Primary – to £50,000 on a tapered basis (from £30,000 in 2014-15)**
- **Secondary – to £100,000 on a flat rate basis (from £40,000 in 2014-15)**
- **All-through – a combination of the above.**

Age Weighted Pupil Unit (AWPU)

Schools Forum recommended allocating the remaining additional Schools Block DSG funding from April 2015 on a per pupil basis across all Shropshire maintained schools, academies and free school.

88% of responses agreed that the majority of the additional funding should be allocated in this way.

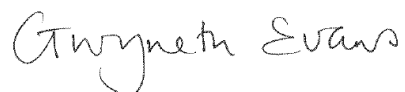
60% of responses agreed with Schools Forum's recommendation not to allocate any of the additional funding on other allowable factors. Of the responses not in agreement various other factors were proposed.

Schools Forum considered the responses and reflected on the use of other factors, which had been considered as part of the modelling process. Based on the responses received **Schools Forum recommended allocating the whole of the remaining additional funding on a per pupil basis across all schools in line with their recommendation within the consultation.**

If you have any queries in relation to this information please do not hesitate to contact me or Rob Carlyle (Schools' Formula Funding Officer) in the School Funding Team on 01743 253876.

Please ensure a copy of this letter is made available to your Chair of Governors.

Yours sincerely

A handwritten signature in black ink that reads "Gwyneth Evans". The signature is written in a cursive style with a large initial 'G'.

Gwyneth Evans
Schools' Funding Policy Officer
Shropshire Council
Tel: 01743 253875
Email: gwyneth.evans@shropshire.gov.uk

Schools sustainability in Shropshire

A briefing paper issued on behalf of:

- Shropshire Schools Forum - Sustainability Task & Finish Group
- Shropshire Council administration group - Sustainability Task & Finish Group.

Background: where are we now?

In Shropshire we aim to provide high quality education for all Shropshire children. But we have a demographic problem in sustaining our network of schools.

The number of pupils on roll at our schools is falling overall, bucking the national trend. However, this decline in pupil numbers is not evenly spread and it varies by area.

At the same time, though new house building programmes are gathering pace in Shropshire, evidence shows that new housing developments do **not** lead to an overall increase in numbers in our schools in Shropshire, as the trend is for families to move within the county.

Indeed, between 2003 and 2012, 10,800 new homes were built in Shropshire, but over the same period the number of pupils at our schools actually **fell** by more than 2,500.

As pupils numbers fall, so will the overall funding for our schools as it is mainly pupil-driven.

And the lack of detail on a national funding formula – likely to be implemented in the next Parliament – adds further uncertainty over the future funding for our schools.

It has been confirmed that approximately £10m of additional funding is being provided for Shropshire schools in 2015-16. This is clearly very welcome and will offer some short-term relief for the issue of falling rolls. However, it will not solve the long-term problem as the reduction in pupil numbers impacts.

Changes to Shropshire's funding formula for 2015-16 will seek to place our schools in the best possible position to ensure a smooth transition to the new national funding formula, once it is implemented.

It is vital at this time for individual school leaders and governing bodies to have an increasing awareness of the impact of demography and the likely changes to funding nationally in the next few years.

This is particularly important in those areas where pupil numbers are falling and where clusters of schools will see a significant decline in both pupil numbers and, as a consequence, funding.

So what needs to be done?

We want to ensure a sustainable schools network, and maintain good quality provision.

Schools need to work together to find local solutions. We are determined to encourage collaborative working, consideration of alternative models of education provision and more efficient use of delegated resources.

This is **NOT** just a small schools problem. It is an issue for every school.

This is **NOT** about saving money. It is about making more effective use of delegated resources.

This is **NOT** about finding a countywide solution. It is about taking a local look and finding local solutions.

This is **NOT** about providing a safety net, or comfort, to governing bodies. We believe governing bodies need to be challenged to address these issues and to ensure that the Shropshire school funding formula promotes more sustainable ways of working.

And, this is **NOT** simply about producing lists of planned closures. It is about encouraging schools and communities to think about what can and must be done in light of falling school rolls and their impact on funding.

Indeed, we already have several excellent examples of ‘local clusters’, where schools are working closely together to find local solutions, including through trust arrangements, federations and other collaborative models.

What work is being carried out around this issue?

The Shropshire Schools Forum’s Sustainability Task & Finish Group was set up in the autumn of 2013 to look closely at this issue. Members include primary, secondary and special school headteachers, school governors, councillors and Shropshire Council officers.

An ‘informed dialogue’ has developed between the Task & Finish Group and Shropshire Council’s ruling administration based on the best available information and knowledge, and this will continue as we work towards a long-term solution.

An administration Task & Finish Group, led by Councillor Nick Bardsley – Deputy Cabinet member for children’s services - has also been established, to inform councillors and to provide advice and support to the Sustainability Task & Finish Group. This administration group has set out its key principles to inform the funding of Shropshire schools, to ensure that planning and implementation go hand in hand.

Both Task & Finish groups are in agreement about the problem we are facing, and about the need for schools to work together to find local solutions in order to ensure a sustainable schools network in Shropshire. Indeed, this paper has been prepared on behalf of both groups.

Once the Shropshire funding formula for 2015-16 is agreed, the Sustainability Task & Finish Group will be providing information to each school about their projected numbers on roll over the next five years, and the impact on their funding for this same period. This budget planning tool will be provided to governing bodies on an annual basis, to enable four year budget planning with most up-to-date data for their catchment. Governing bodies will be encouraged to share their data with schools in their geographical cluster.

Shropshire Councillors from all political parties, plus parish and town councillors, are also being encouraged to help, by working with their local schools.

Any questions?

If you have any questions or comments related to the issues raised in this paper, please email phil.wilson@shropshire.gov.uk . Your feedback is welcome and appreciated.



Cabinet
 10th December 2014
 12.30 pm

Item
14
Public

Local Joint Committees – update on youth commissioning and boundaries

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

1. Summary

Local Joint Committees (LJCs) have been meeting regularly since 2009 to provide joined up governance between the different tiers of local government. Following the move of the Council towards being a commissioning council and to placing increased emphasis on local commissioning youth activities will be commissioned by LJCs from April 2015. It is proposed that money is allocated to some LJCs based on a needs analysis and “funding formula” as set out within this report. The approach to youth commissioning, the funding made available to individual LJCs and the outcomes achieved will be evaluated in 2015/16 and the learning will be used to shape the approach within the following year.

Also within this report some changes are proposed to the geographies of LJCs in order to better align them to Place Plan areas and to better reflect the available staffing support resources. The decision on changes to the LJC constitution is a matter to be referred to the December Council meeting. It is anticipated that some changes may be necessary to the LJC constitution in the future to better reflect the local commissioning environment and it is proposed to recommend to Council that these changes are delegated to the Chief Executive in consultation with the relevant Portfolio Holder and local members.

2. Recommendations

- A.** In support of the commissioning of youth activities in 2015/16 to confirm the funding formula based on an analysis of need within individual LJC areas as outlined in Appendix 1.
- B.** To take the learning from the local commissioning of youth activities in 2015/16 and in the light of this to review the model, funding and outcomes to be achieved for young people in 2016/17 through scrutiny at the Children’s and Young People’s Scrutiny Committee

- C.** To recommend to Council the following:
- i) changes to the geographies of LJsCs as set out in Appendix 2 to this report:
 - Local governance within Shrewsbury will continue to be supported by the Shrewsbury wide LJC; however, the six individual area based Shrewsbury LJsCs will no longer meet as formally constituted LJsCs, although this does not prevent them continuing to meet as “Neighbourhood Forums” in response to local circumstances.
 - Loton & Tern, Burnell & Severn Valley, Longden, Ford & Rea Valley, and Strettondale LJsCs are consolidated into three new LJsCs:
 - a. Pontesbury, Minsterley, Longden, Ford, Rea Valley & Loton
 - b. Tern & Severn Valley
 - c. Strettondale
 - Highley LJC is joined by Chelmarsh Parish to align with the Highley Place Plan area
 - Bridgnorth, Worfield, Alveley & Claverley, LJC merges with Brown Clee LJC to form the Bridgnorth, Worfield, Alveley, Claverley & Brown Clee LJC Zone to more closely align with the Bridgnorth Place Plan area
 - ii) that the ability to make changes to the LJC constitution including further boundary changes is delegated to the Chief Executive in consultation with the relevant Portfolio Holder and local members.

REPORT

1.0 Risk Assessment and Opportunities Appraisal

Within the challenging budget pressures faced by Shropshire Council, LJsCs will support an effective approach to local commissioning within which the use of local assets - buildings, organisations and people – are maximised to the greatest local benefit. Supporting early help and prevention within local communities is a key driver for Shropshire.

It is recognised that applying this new way of working to the commissioning of youth activities from April 2015 will also present a number of challenges.

The main risk to LJsCs in taking on its enhanced role lies in the quality of its commissioning advice alongside the degree of local engagement within the governance arrangements. By separating the role of the LJC as a commissioner from the actual procurement of services by Shropshire Council, the risks of ineffective financial and contract management will be minimised. Community Enablement Team Officers will support LJsCs to commission activities by providing data, referencing a range of information, facilitating consultation and applying commissioning best practice.

An Equalities Impact Assessment has been developed as part of the future delivery of youth activities and consultation has enabled a wide range of stakeholders to contribute. The EINA will continue to be reviewed and updated as circumstances alter.

Alongside this the proposed changes to LJC boundaries provide the opportunity to strengthen local governance in support of local commissioning by supporting closer alignment with Place Plan boundaries.

2.0 Financial implications

Any financial risks attached to local commissioning will be minimised by retaining all financial and contract responsibilities within Shropshire Council.

3.0 Background Information

The creation of 28 LJCs and locality working was a key part of the business case for the introduction of unitary government in Shropshire in 2009.

Local Joint Committees are constituted in accordance with Sections 101 and 102 of the Local Government Act 1972.

Apart from minor changes to geographies, to the constitution and to responsibilities for providing officer support, LJCs have continued in their original format ever since.

A review of LJCs is provided within a report to Council in April 2013. This report highlights the opportunity for LJCs to build on existing good working relations as the Council moves towards a model of local commissioning. It references the challenge to continue to make the model relevant and to consider how other stakeholders and decision makers can be involved.

Opportunities to develop the governance role of LJCs in support of local commissioning will continue to be discussed with the aim of bringing a report to cabinet in 2015.

4.0 Local Joint Committee's role as the commissioner of youth activities

Since April 2014 LJCs have no longer had delegated budgets.

Alongside this Shropshire Council is committed to being a commissioning organisation and to supporting an approach that puts local communities at its heart. The fundamental premise of locality commissioning is that when community organisations work collaboratively with public sector organisations they can achieve better outcomes for their communities. Organisations have resources – buildings, finance, people, and expertise – and by aligning these together it should be possible to use them more effectively to make a positive difference to people's lives within their communities.

Recently Shropshire Council has begun to further develop and test its thinking around local commissioning with the local commissioning of activities for young people by LJCs from April 2015. Following a period of consultation the broad approach was confirmed within a report considered by the Portfolio Holder in July 2014. At the Children and Young People's Scrutiny Committee

in October 2014 discussion took place on the proposed needs assessment model used to allocate funding to LJsCs.

Eight measures were chosen 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 are 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.

Subsequently a delegated budget based on local young people needs has been allocated to individual LJsCs based on the evidence described above and according to a funding formula. This is shown within **Appendix 1**. LJsCs will be advising on appropriate youth activity outcomes within their areas based on a local needs assessment, an understanding of existing youth provision, conversations with young people and stakeholders, and their local knowledge. Community Enablement Team officers will support LJsCs with this work and will be responsible for procuring youth activity.

It is recognised that since this is a new way of working we need to learn from all aspects of the commissioning and procurement work and in particular its impact on better outcomes for young people. We will be reviewing activity and the learning within 2015/16 and propose to share this with the Children and Young People's Scrutiny Committee to inform work within 2016/17.

5.0 Changes to LJC geographies

In support of its local commissioning role we anticipate that LJsCs will work with local Town and Parish Councils to support the development of robust Place Plans that can be used as an "evidence base" in support of local commissioning advice.

In this respect it has become apparent that it would be more appropriate that LJC geographies should more closely align with Place Plan boundaries. The changes described within the recommendations and shown within **Appendix 2** go a little way towards this, while at the same time reducing the number of

LJCs and their associated bureaucracy. However, we are mindful both of local sensibilities to boundaries and of individual local circumstance and rather than be dogmatic on this point wish to keep boundaries under regular review.

The proposed changes described within this report on boundaries have been discussed and agreed with local Shropshire Council Members. They have also been discussed at LJCs and with Parish and Town councils. Some reservations remain particularly within the Shrewsbury rural area, but the proposals outlined here are felt to be the best compromise available.

6.0 Conclusions

The commissioning of youth activities by LJCs will be the first example of local commissioning in practice. In order to learn from this process, the manner in which funding is allocated and in particular its contribution to better outcomes for young people we will review progress at the Children and Young People’s Scrutiny Committee prior to allocating funding for 2016/17.

The prospered LJC boundary changes outlined within this report will strengthen local governance in support of local commissioning by more closely aligning with Place Plans boundaries. They will also provide some efficiencies by reducing the need for administration support.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) Local Joint Committees, Council, 18th April 2013 Future Commissioning & Provision of Youth Activities, Portfolio Holder decision, 2nd July 2014 Update – Future Commissioning and Provision of Youth Activities, Children and young People’s Scrutiny Committee, 22nd October 2014</p>
<p>Cabinet Member:</p>
<p>Local Members: All Members</p>
<p>Appendices: Appendix 1 – Youth Commissioning Needs analysis and funding formula Appendix 2 – Proposed Local Joint Committee areas</p>

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Formula Table, derived from needs analysis

Focuses on needs criteria related to YP at risk of not achieving outcomes, as identified by SCT, namely

- 1) Ensuring all CYP are safe and well looked after in a supportive environment
- 2) Narrowing the achievement gap in education & work
- 3) Ensuring emotional wellbeing of CYP by focusing on prevention and early intervention
- 4) Keeping more children healthy and reducing health inequalities

2014/15 Pos Acs Delivery

- Success criteria
- 1) Largest number of YP with greatest needs
 - 2) Facilitate access from most rural areas to opportunities

Needs related information	SCT Outcomes	County wide for reference	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
			Abrighton	Bayston Hill	Bishop's Castle, Chisbury, Worthen and Clun	Bridgnorth, Worfield, Aweley & Claverley	Broseley and Rural	Cleobury and Rural	Craven Arms and Rural	Ellesmere	Five Perry Parishes	Gobowen, Sealtyn, St Martin's, and Weston Rhyn	Highley and Brown Cle	Longden, Ford, Rea Valley & Loton	Tern & Severn Valley	Ludlow and Cle area	Market Drayton	Much Wenlock and Shipton	Oswestry	Shifnal & Sheriffhales	Shrewsbury - town wide	St Oswald	Strettondale & Burnell ED	Wem and Shawbury	Whitchurch and surrounding area
Demographics																									
2 No of 10-19 year olds		36866	813	578	1249	2273	649	1085	764	1157	1243	1297	859	1630	976	1579	2762	331	2011	822	8606	954	1496	1998	1734
		54.1%	52.5%	56.9%	55.7%	54.5%	54.5%	57.9%	54.9%	60.1%	58.4%	57.0%	52.8%	55.6%	54.2%	52.3%	51.8%	52.5%	51.8%	54.2%	51.8%	52.9%	63.7%	55.6%	51.9%
Rurality																									
2A Rurality (populat'n density) 10-19 per sq. mile		29.9	45.8	173.6	6.2	30.9	51.4	15.9	9.1	26.0	28.3	61.8	14.7	21.3	11.6	34.5	33.9	15.1	705.6	35.8	586.6	19.7	17.4	25.9	41.4
Specific needs																									
3 Disabled: no of 10-19 year olds reg with Short Breaks*	2 to 4	442	6	13	6	32	6	6	9	13	9	17	8	14	14	17	40	3	20	6	138	14	9	28	14
			0.7%	2.2%	0.5%	1.4%	0.9%	0.6%	1.2%	1.1%	0.7%	1.3%	0.9%	0.9%	1.4%	1.1%	1.4%	0.9%	1.0%	0.7%	1.6%	1.5%	0.6%	1.4%	0.8%
7 No of 10-19: deprived areas	1 to 4	7028	0	0	0	176	0	35	226	150	0	292	233	0	0	378	541	0	830	225	3203	117	0	0	622
		19.1%	0.0%	0.0%	0.0%	7.7%	0.0%	3.2%	29.6%	13.0%	0.0%	22.5%	27.1%	0.0%	0.0%	23.9%	19.6%	0.0%	41.3%	27.4%	37.2%	12.3%	0.0%	0.0%	35.9%
8 No of 10-17: offenders	1 to 3	496	1	4	16	3	1	0	9	3	8	13	8	37	18	32	26	0	70	4	185	4	10	21	23
School related																									
12 No of 10-19 year: Education Access Stats	2	2091	18	28	54	78	43	63	35	36	79	106	35	83	67	83	197	20	181	24	620	57	33	52	99
		5.7%	2.2%	4.8%	4.3%	3.4%	6.6%	5.8%	4.6%	3.1%	6.4%	8.2%	4.1%	5.1%	6.9%	5.3%	7.1%	6.0%	9.0%	2.9%	7.2%	6.0%	2.2%	2.6%	5.7%
Personal Care related																									
14 Referrals to social care ICT 0-17 (13 - 22/08/14)	1	2772	22	40	71	106	51	45	60	63	67	91	59	123	54	117	242	20	220	60	855	73	48	103	182
		4.1%	1.4%	3.9%	3.2%	2.5%	4.3%	2.4%	4.3%	3.3%	3.1%	4.0%	3.6%	4.2%	3.0%	3.9%	4.5%	3.2%	5.7%	4.0%	5.1%	4.1%	2.0%	2.9%	5.4%
Area related																									
17 Anti-social behaviour year end 2014	1 to 4	10010	115	99	130	678	169	159	159	148	104	254	68	272	160	493	805	58	1071	253	3518	148	156	355	638
			14.1%	17.1%	10.4%	29.8%	26.0%	14.7%	20.8%	12.8%	8.4%	19.8%	7.9%	16.7%	16.4%	31.2%	29.1%	17.5%	53.3%	30.8%	40.9%	15.5%	10.4%	17.8%	36.8%
Health / PH related																									
21b Childhood Obesity: Year 6 age 10-11	4	17.6%	14.8%	14.1%	18.9%	16.4%	16.4%	12.7%	16.6%	18.4%	18.4%	20.7%	12.7%	21.6%	16.4%	16.6%	22.2%	16.4%	20.7%	14.8%	21.6%	17.0%	18.9%	18.4%	19.8%
		26.0			1.3					0.8	0.8	3.1		4.0			4.6		3.1		4.0		1.3	0.8	2.2

Funding Available £234,950
Positive Activities £234,950

Abrighton	Bayston Hill	Bishop's Castle, Chisbury, Worthen and Clun	Bridgnorth, Worfield, Aweley & Claverley	Broseley and Rural	Cleobury and Rural	Craven Arms and Rural	Ellesmere	Five Perry Parishes	Gobowen, Sealtyn, St Martin's, and Weston Rhyn	Highley and Brown Cle	Longden, Ford, Rea Valley & Loton	Tern & Severn Valley	Ludlow and Cle area	Market Drayton	Much Wenlock and Shipton	Oswestry	Shifnal & Sheriffhales	Shrewsbury - town wide	St Oswald	Strettondale & Burnell ED	Wem and Shawbury	Whitchurch and surrounding area
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Needs contribution allocated to those areas with a specific needs score of 0.25 and above

POSITIVE ACTIVITIES FUNDING

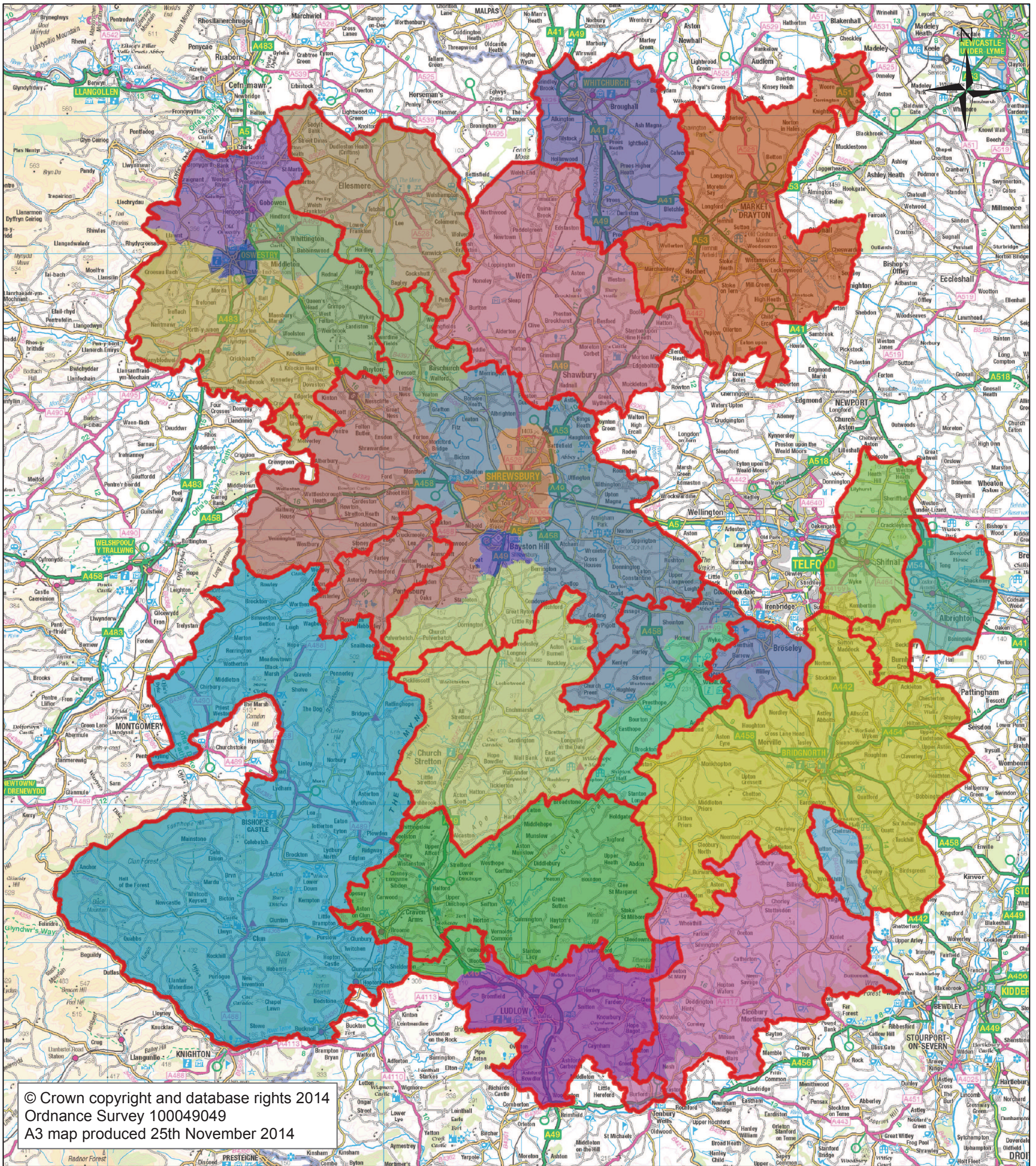
Rurality Contribution	Score	Funding	Abrighton	Bayston Hill	Bishop's Castle, Chisbury, Worthen and Clun	Bridgnorth, Worfield, Aweley & Claverley	Broseley and Rural	Cleobury and Rural	Craven Arms and Rural	Ellesmere	Five Perry Parishes	Gobowen, Sealtyn, St Martin's, and Weston Rhyn	Highley and Brown Cle	Longden, Ford, Rea Valley & Loton	Tern & Severn Valley	Ludlow and Cle area	Market Drayton	Much Wenlock and Shipton	Oswestry	Shifnal & Sheriffhales	Shrewsbury - town wide	St Oswald	Strettondale & Burnell ED	Wem and Shawbury	Whitchurch and surrounding area	
£3,000 allocated to areas with a population density less than, or equal to, 26					£3,000																					
Specific Needs Contribution																										
Remaining funding to be divided based on need			0.07	0.09	0.19	0.31	0.09	0.11	0.15	0.17	0.17	0.37	0.14	0.42	0.16	0.33	0.73	0.04	0.75	0.13	2.48	0.15	0.18	0.29	0.47	
						£10,117						£12,121		£13,631		£10,849	£24,065		£24,640		£81,499		£9,451	£15,577		
TOTAL CONTRIBUTION		Total Funding	£0	£0	£3,000	£10,120	£0	£3,000	£3,000	£3,000	£0	£12,120	£3,000	£16,630	£3,000	£10,850	£24,060	£3,000	£24,640	£0	£81,500	£3,000	£3,000	£12,450	£15,580	£234,950

£33,000 Total Positive Activities funding dis

























8.00

£201,950

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 Ordnance Survey 100049049
 A3 map produced 25th November 2014

- | | | |
|--|--|--|
|  Place Plan Areas |  Ellesmere |  Pontesbury, Minsterley, Longden, Ford, Rea Valley and Loton |
| Revised Local Joint Committees |  Five Perry Parishes |  Shifnal and Sheriffhales |
|  Albrighton |  Gobowen, Selattyn, St Martins and Weston Rhyn |  Shrewsbury town-wide |
|  Bayston Hill |  Highley |  St Oswalds |
|  Bishop's Castle, Chirbury, Worthen and Clun |  Ludlow and Cleve |  Strettondale |
|  Bridgnorth, Worfield, Claverley, Alveley and Brown Cleve |  Market Drayton |  Tern and Severn Valley |
|  Broseley and Rural |  Much Wenlock and Shipton |  Wem and Shawbury |
|  Cleobury and Rural |  Oswestry |  Whitchurch and surrounding area |
|  Craven Arms and Rural | | |



Shropshire Local Joint Committees and Place Plan Areas

Intelligence and Research team
 The Shirehall, Abbey Foregate,
 Shrewsbury, Shropshire, SY2 6ND
 Scale : 1:265,000

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Cabinet 10 th December 2014	<u>Item</u> <u>Public</u>
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Shropshire Council Adult Social Care – Local Account 2013-14

Responsible Officer Stephen Chandler
 E-mail: Stephen.Chandler@shropshire.gov.uk Tel: 01743 253704

1. Summary

1.1. This report presents the Local Account for Shropshire for 2013-14. This is the fourth year of producing a local account in this format and it is both a retrospective review of the achievements during 2013-14 and importantly, sets out our aspirations, challenges and direction of travel for 2014-15.

2. Recommendations

2.1. Cabinet Members are requested to note and approve the Adult Social Care local account for 2013-14.

3. Risk Assessment and Opportunities Appraisal

3.1. Equalities Appraisal

The Local Account provides information on all areas of service delivery in adult social care.

3.2. Human Rights Appraisal

The content of the Local Account is compatible with the Human Rights Act.

3.3. Risk Management Appraisal

The Local Account is an opportunity to publicise the work undertaken, including both achievements and challenges of the previous year within adult social care and to outline the aspirations and challenges looking forward to 2014-15.

3.4. Environmental Consequences

To reduce unnecessary printing the local account will be published on the Shropshire Council website and is available in hard copy upon request.

3.5. Consultation

Our Making it Real Reference Group, comprising local people, who are expert by virtue of their experience in adult social care, has been involved in the production of this year's Local Account. In addition, our "Making it Real" Board and Partnership Boards have also been consulted.

An accessible easy read version of what is a local account, will be produced and shared initially, with the Learning Disability Partnership Board, who have received regular updates throughout the year on the achievement of adult social care performance.

4. Financial Implications

- 4.1. The local account includes a brief section on expenditure during 2013-14.

5. Background

- 5.1. Making it Real is part of the national programme 'Towards Excellence in Adult Social Care' (TEASC) established to support all those working towards personalisation. It gives us the opportunity to check our progress so that we can decide which areas need to be improved. Making it Real highlights the issues most important to the quality of people's lives. It helps the social care sector to take responsibility for change and publicly share the progress being made.
- 5.2. Making it Real is built around 'I' Statements which sit within 6 different themes (developed by people who use services and family carers). The 'I' Statements outline what people would say if services were personalised.
- 5.3. Shropshire Council has signed up to Making it Real (MiR) to help make sure we are improving services in this way.
- 5.4. Being part of MiR is part of our commitment to involving local communities in shaping care services for the future, and being clear about what type of care is actually making things better for people. We have provided staff support to help retrain the way we think and work with people in planning their support around a person's whole life. This has helped shape a very different and 'positive conversation' being the basis of the relationship with our communities.
- 5.5. As part of our commitment to Making it Real we have demonstrated the involvement of people who use services, including carers, who have helped us to compile the content of this year's Local Account, including the checking of our progress on the 3 priorities identified in last year's Local Account.
- 5.6. The priorities chosen by local people last year, and reported within this year's update are:
 - Improving information and advice

- Supporting and maintain active and supportive communities
- Increasing the range of flexible, integrated care and support options.

Another key theme throughout this year's Local Account is one of ensuring transparency about the issues and impact of the changes that are occurring within adult social care, not least with the implementation of the Care Act. We have tried to ensure that these issues are appropriately balanced in this year's account.

5.7 A key theme throughout this report is the inclusion of real life Shropshire stories, at every opportunity, which not only demonstrates our closer involvement with our community, but also helps to bring this document to life.

5.8 The Local Account will also be used therefore, as a way of demonstrating and describing performance in adult social care to local people. The concept is one that is user-focussed, and highlights the quality aspects of services provided, rather than the numbers.

5.9 Throughout the document, we have tried to link what we said we would do last year, to what we have actually done this year, so that these documents, year on year, will have currency and relevance to the local people who helped to produce them. It is envisaged that this document will be used by our local communities "to hold us to account" for the quality of services we provide or commission, and will, by its very nature, help to drive forward improvements.

5.10 Another key theme throughout this year's Local Account is one of ensuring transparency about the issues and impact of the changes that are occurring within adult social care, not least with the implementation of the Care Act. We have tried to ensure that these issues are appropriately balanced in this year's account.

5.11 The layout and content of this year's Local Account has been improved following feedback to make it easier to read. This has included more pictures, diagrams, and quotes from users and carers. The report also provides useful links to other related documents and web sites, and highlights how people can get involved in this process for next year.

5.12 This year's Local Account also focusses upon the current work we are doing around our new operating model for transforming Adult Social care in Shropshire. We are working to keep local people at the centre of all that we do, keeping to the MiR principles we signed up to, whilst working within the considerable financial challenges of supporting more people with complex, long term care needs, which are projected to increase further in future years.

5.13 The Local Account also sets out how people can continue to be involved in shaping services for the future, including through their local Councillor and the Making it Real Board.

5.14 The update to this Local Account for 2014-15 will be produced in Autumn of 2015

6 Conclusions

- 6.1 The focus this year has been to produce a short, easy to read report tailored to what local communities want to know about adult social care in Shropshire, and at the same time, the account can also be used to judge performance, as part of the sector led improvement programme. This approach makes the best use of our existing resources and utilises existing user and carer forums such as partnership boards for engaging with citizens.
- 6.2 In order to meet the challenges, Shropshire Council is rethinking all aspects of the work we do and completely redesigning services – this document reflects this new way of working and is based on a new understanding of what works for people,.
- 6.3 Finally, the local account is an evolving document that will to improve year on year. Importantly, we want this document to have resonance with people in Shropshire and to be referred to throughout discussions about our performance, to genuinely “hold the council to account” to deliver what we set out to do.

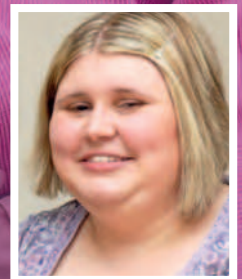
List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Cabinet Member (Portfolio Holder) Councillor Lee Chapman
Local Member All – this is Shropshire wide
Appendices Appendix A: Shropshire’s Local Account for Adult Social Care for 2013-14.

Making it Real in Shropshire – our story so far

Adult Social Care Local Account 2013-14

What does it mean to be a carer?
read Jon's story

Katie's
experience of
support services



Impacts of the Care Act

Shropshire's priorities
for Adult Social Care for 2014/15

What is the Local Account?

Councils up and down the country produce a report every year which explains what they – and other organisations – have been doing to help people who use adult social care services.

In the past we have called this the Local Account, but we realised that a lot of people didn't really understand what that meant, so this year we have called it "Making it Real in Shropshire - our story so far".

We hope it explains what this booklet is all about – it's a collection of stories from people who use adult social care, their carers, as well as people from the council and other organisations who work to provide services across Shropshire.



Adult Services in Shropshire

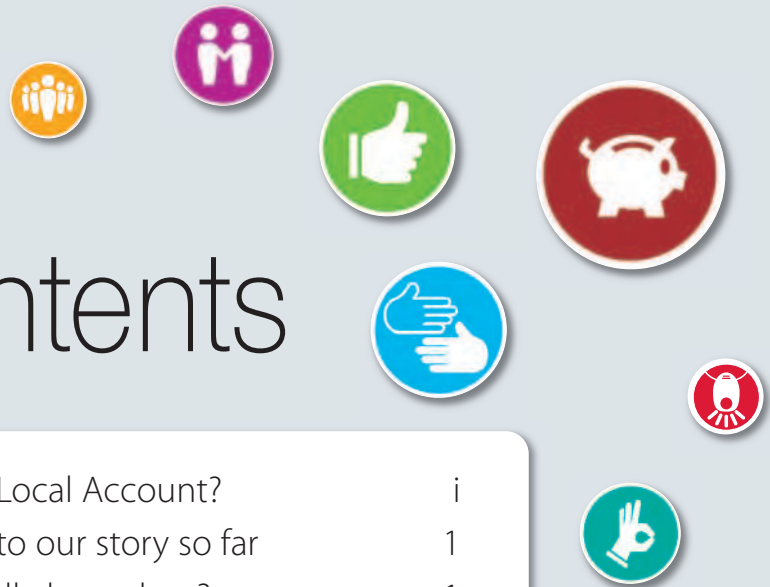
If you'd like to get involved, you can email us at: makingitreal@shropshire.gov.uk

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Case studies in this magazine

There are several stories in this magazine which illustrate how people have received support to help them live independently. These are real stories by real people, but to protect their identity we've changed their names.





Welcome to our story so far:



As the co-chairman of the Making it Real board, I am delighted to have been invited to write a short introduction to the annual Local Account – a review of a year’s work in adult social care and an outline of our future plans.

The Making it Real board was established in 2013 as part of a national initiative to help individuals to live more independently, and to choose and control how their support package is delivered.

Our early work has been focused on information and advice, and the results are starting to filter through. A good example would be the new Individual Service Funds (ISF) contracts which are being implemented now.

I am a volunteer. My role on the board is to keep Shropshire Council in touch with the reality of life for carers and their ‘cared for’ and offer the benefit of my experiences as a carer (I look after my 94-year-old mother).

I regularly chair our meetings and try hard to keep the board grounded in reality. I have no qualms about taking the Director of Adult Services to task and he, very graciously, always tries hard to listen and understand the views of the lay members of the board, like myself.

I hope you will notice the different, lighter, approach that we have taken in producing the Local Account for 2013-14, starting with the title: “Making it real - Shropshire’s our story so far”.

Within these pages you will find interesting ‘warts and all’ case studies, some more information about what People2People is and how it works, an explanation of the New Operating Model, and much more.

My sincere thanks go to the Director of Adult Services, Stephen Chandler, and Councillor Lee Chapman, Cabinet member for adult services, transformation and safeguarding, for their wholehearted support of the Making it Real project and for their determination to continue to provide and improve social care in Shropshire.

Jon Hancock – Making it Real board member.



“What's this all about then?”

A word from Stephen Chandler, Director of Adult Services at Shropshire Council.

We have tried to include in this publication a wide range of people who are involved with adult social care in Shropshire, and were keen to avoid the council being the main character in the story.

So there are case studies from People2People and the Rural Community Council, which show how important the role of the community and voluntary sector is in helping people access the right type of support for them.

This is a snapshot of how things have been over the past year, and what we are expecting the challenges to be in the coming year.

It is not intended to be a directory of services, or a detailed explanation of how you can access adult social care – if you, or someone you know, needs support you can call 0345 678 9044 or visit the council website at

www.shropshire.gov.uk/adult-social-care

Making it Real



I have got involved with the Making it Real board as I wanted to make a difference. I have faced some challenges trying to work my way through the system. I suffered a brain injury following an accident – you can read my story on page 25.

Although the system now works for me, there are always some areas where improvements can be made.

I have faced quite a few problems and have struggled through the system from all different levels and departments from day one. It can seem like a complicated social care system, to people like me, who were unfamiliar with it. I have learnt a lot through the Making it Real board and feel my voice is essential in order for things to change.

I am excited for what People2People and Making it Real are going to achieve between now and the next Local Account – so keep an eye on Shropshire Council's website. There are going to be challenges and with them come achievements – let's focus on them.

We can only make a real difference to improving people's experiences of adult social care services by getting involved, sharing what works well and not so well! Without these opportunities to talk face to face with staff at the council they won't really understand what the real issues are for us.

I have enjoyed being part of this group which has produced this Local Account, and hopefully, this report will help to point people in the right direction so that they have an easier ride through the care system than I did. So, if you feel you would also like to be involved in producing this document next year, or the Making it Real board, please contact 01743 253793.

Onwards and upwards, and let's make sure that everyone who needs it receives a great service directly, or indirectly, from adult social care.

Katie Smith – Making it Real board member.



Our review of the year

Welcome to the main section of our story, where we look back at the past year and see how well we have met the main challenges which were posed in last year's Local Account.

The four main challenges were:

- Have we continued to provide quality services to people and met their needs with a decreasing budget?
- Have we inspired the workforce to work creatively and develop innovative ways of working during a period of uncertainty?
- Have we worked with people who use services and their carers to give them a better understanding of what really works and matters at a time when there is widespread concern and anxiety about changes?
- Are we prepared for the changes being proposed through the Care Act?

We will look at each of these challenges on the next few pages through the eyes of the people using adult support services, and those working to provide them.



A quick summary of how things have changed

You may have heard that the council is 'redesigning' the way it does things, and adult social care is at the forefront of this new way of working. But what does that actually mean in practice?

Here's an example of how things have changed...

How things used to work

If you called the council prior to April 2014 to ask for support, whether it was for yourself or a member of your family, you would invariably be placed on a waiting list for a visit from a social worker.

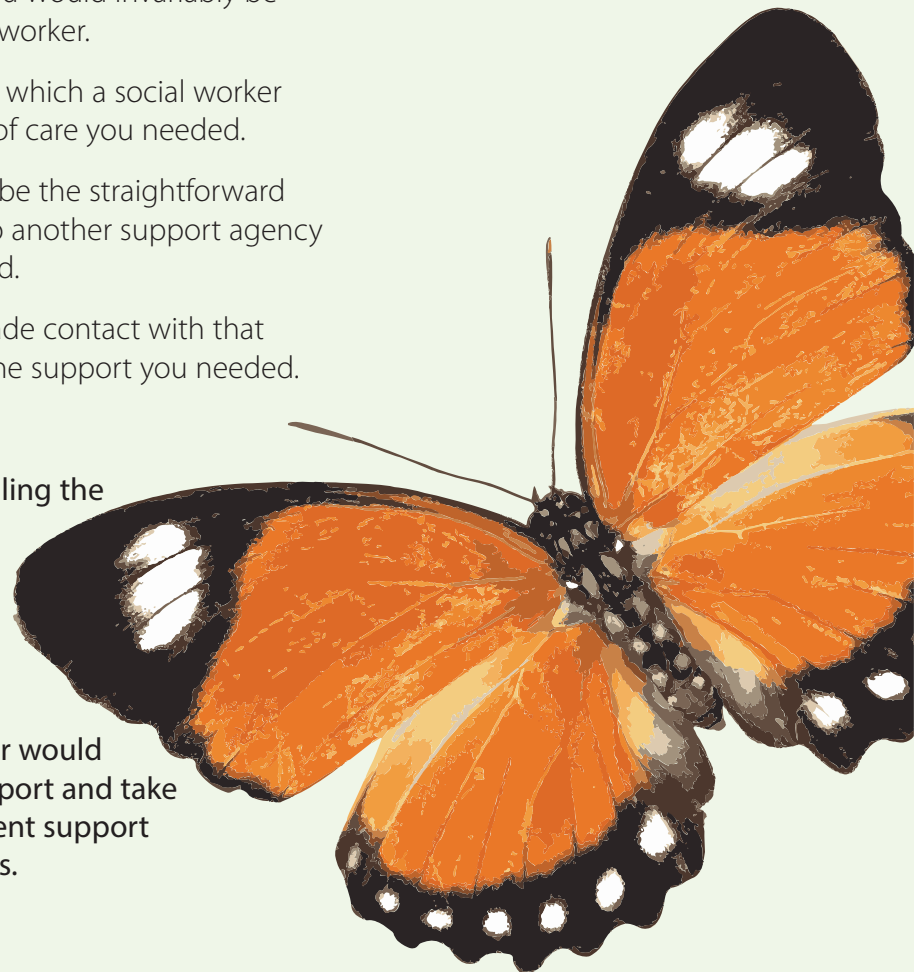
The wait could be for a number of weeks, after which a social worker would come and see you to assess what type of care you needed.

The result of that assessment would often not be the straightforward organisation of a care package, but a referral to another support agency who were more suitable to your particular need.

That would mean a further delay while you made contact with that organisation, until eventually you would find the support you needed.

So the process used to look like this:

1. You make contact with the council by calling the customer service centre.
2. You are placed on a waiting list for a visit by a social worker.
3. You are assessed by the social worker.
4. During that assessment, the social worker would determine your eligibility for funded support and take the necessary steps to arrange for sufficient support to be in place to meet the assessed needs.



A quick summary of how things have changed



Laurie Trenfield

How things work now (from April 2014)

We have improved the way the council's customer service centre operators deal with your initial enquiry (known as 'First Point of Contact'), so they are trained to be able to do a basic assessment over the phone straightaway.

If appropriate, they can then immediately direct you to another organisation who can arrange the right type of care – avoiding the need for you to wait for an assessment only to be then directed elsewhere.

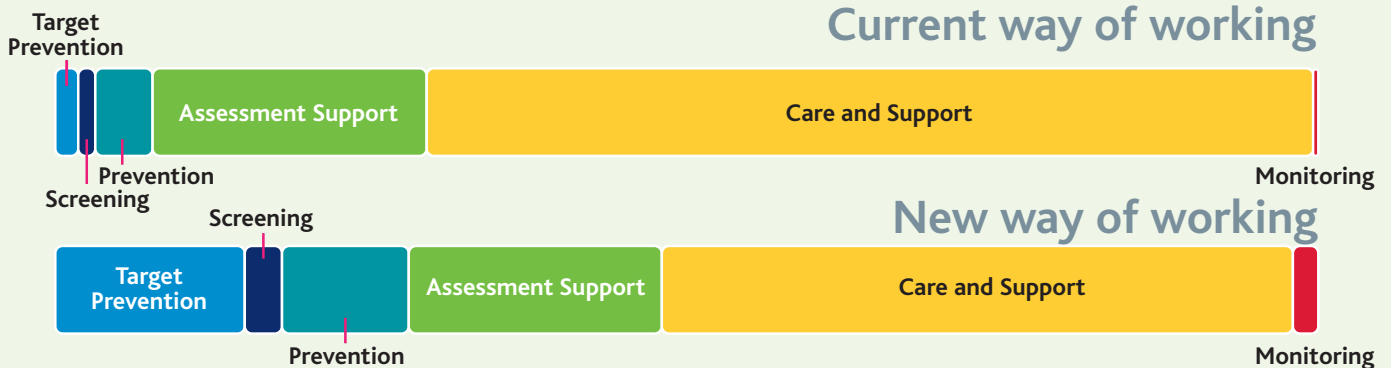
If it's felt that support from the council is the right course of action, you are immediately put through to the community contact team, who will assess your situation in more detail.

You will then either be assigned a social worker visit, or booked into a Let's Talk Local Session.

These sessions are a new initiative where people can talk to a variety of organisations to find the right type of support of them.

The process can now take a matter of days – Let's Talk Local Sessions are held every day and you can be booked onto the next available one during your first phone call with the council.

Current versus new way of providing adult social care



This diagram shows how we have moved resources to respond to people's needs earlier, in order to prevent their situation worsening.



So the process now looks like this:

1. You make contact with the council by calling the customer service centre.
2. The operator will talk with you and either direct you to a more suitable organisation or will book you into a Let's Talk Local Session. If required you may be transferred through to your local social work team who will arrange a home visit.
3. If you need it, one of our social care practitioners will have further discussions with you and direct you to either Let's Talk Local Session or arrange a home visit.

In simple terms, you get the support you need more quickly.

Every person supported in this way receives a fortnightly follow up phone call to check that their issue was resolved and that they experienced a good service. Through this feedback we are learning that people like the service, welcome the opportunity to meet someone locally in a neutral environment and that this isn't necessarily an onerous 'bundle of paperwork'.

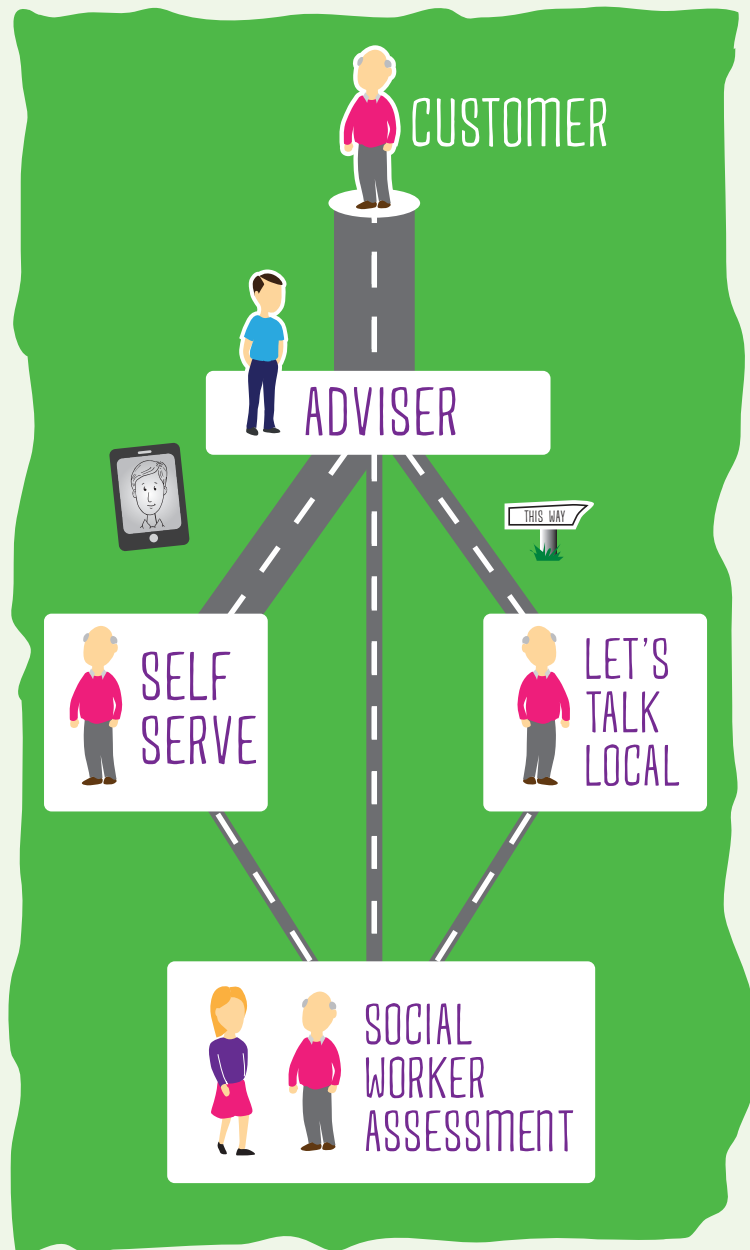
"I was very impressed with the signposting First Point of Contact team gave and was also grateful for the call back two weeks later."

"I would like to thank First Point of Contact at Shropshire Council for telephoning me back to see how my sister was getting along following being signposted to Age UK. Following the advice First Point of Contact gave me, a volunteer was provided for my sister and she is now 'back to the sister we know'. This change began with the conversation."

"The discussion I had has helped me and given me hope."

More information about our Let's Talk Local Sessions can be found on the next page.

This new process is illustrated in the diagram below.





Leander Ward



Lets Talk Local in Shropshire

We have recently put in place a new arrangement to support people in a very different way. We wanted to respond faster and in a more personally-tailored way to people, rather than a more traditional 'one size fits all' approach.

The result is a different response for people who contact the First Point of Contact service. The conversation they have seeks to find out quickly what the issue or query is and, wherever possible, to put the person in touch with somebody else who can help. If this isn't possible and it needs a more in-depth conversation to resolve the issue, the person is invited to have an appointment at their local "Let's Talk Local" community hub. If the person is unable to travel or specifically requires a home-based assessment this is arranged for them, but this tends to be the minority of people.

Let's Talk Local is an opportunity for the public to meet informally with someone who is knowledgeable about social care issues and what is going on in their area. These meetings, which can either be on a one-to-one basis, or in a group session, take place in the majority of Shropshire's market towns on a weekly

basis. The sessions are held in a range of local venues (including church halls, community centres, town halls etc) – anywhere that people can get to.

We aim to make these sessions welcoming and friendly and to enrol the support of local volunteers to greet people, make them drinks and generally to feel at ease. For the majority of people, this meeting is able to resolve their concerns and they have a plan agreed as to what might need to happen next. Others may require a needs assessment and this also takes place at the Let's Talk Local session wherever possible. Some people, such as family carers, may benefit from meeting in small groups and this will also take place in a Let's Talk Local session.

We also aim to have peer support volunteers present at the hubs wherever possible – people who have been through the system themselves and are willing to give their time to support others, sharing advice and information and, where appropriate, supporting them to make plans for the future.

If you would like more information about becoming a volunteer ring Ness Hicken at People2People on 01743 272053.

New ways of working
New offer
Involving local people
Listening

OUR NEW APPROACH

It hasn't all been plain sailing...

There is no doubt that Government funding cuts have forced the council to quickly rethink how it provides services.

Some people have understandably claimed that this new way of working in adult social care is simply 'cost cutting', resulting in a poorer service for people in need.

However, we believe that although the financial pressures have made us change things a bit quicker than we would like, these changes are resulting in better outcomes for people.

Working with smaller budgets is making us look for more efficient ways of doing things, such as working more closely with other organisations and doing away with the layers of bureaucracy that built up over the last couple of decades.

At the same time, there is a desire to help people become more independent by encouraging them to use services in their own community rather than providing a ready-made package of support which cuts them off from the outside world.

This isn't just happening in Shropshire, it's a new way of looking at adult social care which is being embraced by councils up and down the country. But as with any type of change, it's been a difficult time for some of us.





Here are some examples:

Proportion of adult social care users who have control over their daily life

Control is an important aspect of people's daily life. Part of the intention of our new ways of working is to design and deliver services more closely matching the needs and wishes of the individual, putting them in control of their care and support. This measure is one means of determining whether that outcome is being achieved. It is disappointing that our overall result from this year's User Survey is lower than last year (71.7% this year, compared to 77.8% last year). Whilst this is a snapshot survey which collects people's views on a particular day, which can be subjective, we are taking this result seriously, and will try to understand why this might be, and to ensure people do feel in control.

Linking the performance on this measure to the proportion of adult social care users who receive self-directed support (another good indication of choice and control) we have helped over 75% of people using social care to receive this via self-directed support in 2013-14: this is an increase on our previous year's result of 74.2%.

Proportion of service users who find it easy to find information about services

This measure reflects service users' experiences of accessing information and advice over the last year, taken from the annual User Survey. Our result this year (68.4%) was lower, compared to last year (73.6%). Whilst this, again, is a snapshot of people's views on a given day, improving access to information is one of our key priorities. Being able to find the right information, at the right time, is a key factor in reducing people's dependency and can promote well-being by reassuring people who to contact for help.

Challenges around the provision of information and advice in Shropshire include:

- Being able to respond to the information and advice requirements of the Care Act.
- Overcoming issues around the very rural nature of the county.
- Addressing people's preferences for how they want to be able to access trusted information and advice, particularly given the ageing demographic and that 'digital by default' doesn't by any means fit the requirements of all older people.
- Connecting information and advice providers so that a consistent and joined up approach is achieved.

How are we addressing these challenges?

Collectively, information and advice providers (including the council) are addressing these challenges in a number of ways.

The council has commissioned the Community Advice and Advocacy Network (CAAN), a consortium of seven voluntary sector providers who will provide specialist information and advice which is targeted at people with a range of needs, for example older people, people with learning disabilities, and people with physical disabilities. The CAAN consortium has a wide geographical reach with physical access points spread across the whole county. In addition the CAAN members will provide outreach and drop-in sessions at other locations, or 'hubs', such as the autism hub in Shrewsbury. CAAN also brings a strong Internet presence through, for example, Citizens Advice Shropshire or Age UK who can provide access to nationally produced information. CAAN has strong partnerships with many other organisations across the county so that people can also be signposted, where appropriate, to the best solution for them. CAAN also brings the ability to bring in additional external funding to support the information and advice infrastructure in the county due to the charitable status of its members.

Shropshire Voluntary and Community Sector (VCS) Assembly

Voluntary and Community Sector organisations have been reporting increases in demand for services as a result of changes and redesign of Shropshire Council's adult social care and other services .

The VCS Assembly annual survey and recent research undertaken with the voluntary sector showed many challenges and issues which included:

- A growing number of people using voluntary sector services whose needs and issues are more complex and multi-faceted. It is increasingly common for people to report all or many of the problems listed below:
 - Lack of access to transport
 - Inadequate housing
 - Relationship problems
 - Problems with mental and/or physical health
 - Debt and poverty

- Reduction of funding within the VCS.
- An increasing demand for support on discharge from hospital.
- Increasing numbers of people looking for training and voluntary placements.
- VCS services report the need to undertake more assessment with individuals, as numbers assessed by statutory services appear to decrease and levels of frailty increase.
- There are reports that increasing demand is being placed on volunteers as they are increasingly asked to deal with more complex cases.
- More people at the point of crisis due to late access to support.

Voluntary and community sector organisations have highlighted these concerns over increased demand with Shropshire Council and Shropshire Clinical Commissioning Group (CCG). They have been working together to tackle increased demand in a number of ways including:

- Working more collaboratively within the VCS to ensure individuals are referred and signposted to the support they need.





- Meeting with public sector service providers to secure more robust working arrangements and ensure signposting and referral arrangements are in place.
- VCS organisations are also working hard to manage demand by adjusting their internal systems to minimise risk. In some instances alternative methods of provision are being used to manage excess demand, such as more group work rather than one to one support, but that is not possible in all areas of provision.
- VCS organisations have done as much as possible to equip people with the information and advice they need to self-support. Increasingly those able to self-support or with low levels of needs are being signposted to 'long arm' support services such as telephone helplines.

- Undertaking more joint work to apply for external funding and contract opportunities. Shropshire Providers Consortium SPC leads this work more generally across the voluntary sector, but there are other examples of more specialist consortia arrangements in specific parts of the voluntary sector including housing and information, advice and advocacy.
- Work with new partners. For example, some VCS organisations have been successful in securing relationships with local GP practices to ensure VCS signposting is more robust and well-informed.

Shropshire's VCS and public sector commissioners have strong and positive relationships. The number of cross-sector partnerships in existence in the county is evidence of the positive attitudes and commitment to joint working that exists. Recent examples include joint work to establish a new model of working for information, advice and advocacy through CAAN and VCS engagement in the development of the Better Care Fund. The time the VCS invests in this work should not be underestimated.

There is a recognition from the VCS that the sustainability of voluntary sector services is under threat, and there is a need to continue to work collaboratively with public sector services in order to design a whole system approach that recognises the impact of referring to VCS services and allocates available resources to most effectively meet local needs.



Maintained Quality?

Have we continued to provide quality services to people and met their needs with a decreasing budget?

This year we have made some important changes to the way we work, so that we can maintain the high standards of services that we commission or provide, whilst keeping costs as low as is feasible.

People are at the centre of what we do and we routinely check that social care services actually meet people's changing needs by ensuring we review individual cases regularly, and undertaking surveys with our users and carers. Ensuring good quality services can be difficult to define, and sometimes it can just be a case of ensuring different agencies communicate and work well together to achieve the best outcomes for people.

Here is an example of how we ensure good quality outcomes:

Jane Smith,
Social Worker
People2People South Team

Margaret was an independent lady, who'd not previously needed any support in her day to day life. Following a period of illness and a fall which led to a loss of confidence and low mood, we were approached to see if she could be eligible for some support from the council. We undertook an assessment with her which confirmed that she was eligible under the Fair Access to Care Criteria and it was deemed appropriate for her to have some support to meet her personal care needs in particular. Margaret agreed to have some morning personal care and support to help her prepare her lunch.

However, a review carried out six weeks later highlighted that she still felt isolated and her mood continued to be a major concern. Although the support she was receiving was meeting her personal and practical needs, the isolation she was feeling was

impacting on her mental well-being. To address this we contacted the Royal Voluntary Service, Housing Support Services and Age UK, all of which were able to offer a befriending service for her on a weekly basis. We were also able to arrange, through a referral to the occupational therapist, a Rutland Trolley (a piece of mobile equipment which is a combination of a tray on a trolley), which enabled her to easily transport her lunch or any other items from one place to another around her home.

As a result, Margaret's independence and well-being improved greatly and she was much happier with her revised arrangements. As the number of befriending hours were greater than her original care package, and along with the use of the Rutland Trolley, she was able to have some of her needs met in a more cost effective way which also achieved far better outcomes for her too.





Inspired our staff?

Have we inspired the workforce to work creatively and develop innovative ways of working during a period of uncertainty?

Encouraging the workforce to think and work creatively has been an important aspect of implementing our new ways of working. Staff have been given more freedom and flexibility in how they carry out their daily tasks, and are encouraged to take their own initiative. Training and support have been provided to staff to ensure they are confident in exploiting the potential of new technology to help people remain living independently in their own homes.

Here are a few examples of how this is working in practice:

Abigail Butters, Support Planning Lead, People2People



Andrew is 19 and lives in his own flat close to his family. He goes to college, has a mild learning disability and for many years has suffered with health problems. This has affected his emotional well-being and independence. Andrew's mum contacted the First Point of Contact because she was concerned about his ability to cope on his own, his vulnerability among peers and the extent that he is relying on her to manage his money, health and daily living tasks.

Andrew and his mum were invited to call into their local 'Let's Talk Local' and were put in touch with a support planner from People2People. His mum was also offered a separate carers assessment, and both were offered a meeting whilst there with the benefits options team, to check they are claiming the income they are entitled to. The support planner will work with Andrew and his mum to find out what is important to him, what networks of support he has available, and what he wants to do in the future in relation to work and building his independence and skills.

He is interested in opportunities for volunteering, and this will be explored with him to find activities that will give him enjoyment, self-confidence and a potential route into paid work. Once a plan is agreed, Andrew and his mum can call back into the Let's Talk Local hub any time for further guidance and support, and to put him in touch with other services if needs be.

Inspired our staff? continued



Katie Parkes,

Social Worker
People2People North Team

I became **Edith's** social worker after she was admitted to a residential placement by the Emergency Duty Team on New Year's Day. Edith has Parkinson's disease and other mobility problems and was reported to have 'gone off her feet'. She previously had support of her granddaughter at home through the night and one call a day from Oswestry Care.



Following her admission, Edith wished to return home but didn't know how, as she didn't feel able to. Our community therapy team (made up of physiotherapists and occupational therapists), came to Edith's aid to help her through a series of rehabilitation and ongoing physio throughout her respite.

A Lifeline pendant was already in place at home, and the necessary equipment she needed to assist her in her day to day life. Whilst Edith was being supported in her temporary residential placement, Short Term Assessment and Re-enablement Team (START) visited her home to assess and make further preparations in readiness for when she returned home.

Edith was discharged from respite with four support times a day. With therapy and support for re-enablement from START, this was reduced to two visits per day. Edith is now also receiving support from befriending services provided by voluntary services including CHUMS and the Royal Voluntary Service, as well as Crossroads sitting service to support the informal support she receives from her family.

Regular respite has also been commissioned in recognition of the family support for their annual holidays, to ensure continued night time support in their absence.



Inspired our staff? continued

Kester Black, Occupational Therapy Assistant, Shrewsbury Occupational Therapy Team, Adult Services working jointly with **Gaynor Morris** Mental Health Nurse from the Memory Service.

Nora is 79 and has moderate stage Alzheimers. She has no orientation to time or place, very poor short term memory and little insight into cognitive issues.

Nora lives alone in her own home and has a care package funded by Shropshire Council of three calls a day to ensure Nora takes her medication. Nora's family provides all other support.

Nora has recently been experiencing hallucinations which are being managed by medication. However, she has developed symptoms of acute anxiety throughout the day which is worse at night, resulting in poor sleep. As a result of her symptoms she is constantly ringing her son and daughter-in-law throughout the early hours of the morning. This had a profound impact on her family's life. They were struggling to support her and were considering moving her into permanent care.



Gaynor Morris

Kester Black

Following a review of Nora's needs, several interventions were put in place to help with the situation. These included:

- A Motion sensor linked in with Lifeline V+, programmed to play pre-recorded message by Nora's son between hours of 9pm and 6am to reassure Nora to go back to sleep and that he will ring her in the morning.
- Myhomehelper.com software being trialled on her son's laptop in Nora's bedroom so that when she wakes during night, it is the first thing she sees. The software displays the time, a picture symbolising night time, and a reassuring message from her son to go back to sleep.
- Creative support planning (using A3 paper and paints) with Nora to create a visual poster about daily routine and activities she can do to help feel relaxed – to be used in conjunction with her Mem-X pendant.

Although these interventions are still in their trial period, there has been some early signs that intervention has supported better sleep for a few nights.

POhWER

advocacy, making your voice heard

Rose Humphries, POhWER

Jamie's experience

Jamie is a young man who has physical disabilities and is a wheelchair user. He lives with his mother who has a full-time job. He had a large care package that consisted of a Care Agency sending two carers at a time for a few visits throughout the day to provide personal care and meal preparation etc. He was unhappy as he was unable to leave the house without the support of his mother and could not be independent or access any of the social activities that a young man of his age would normally be able to enjoy.

Also, his mother was not happy with a stream of different people visiting their home and sometimes not leaving her kitchen as clean and tidy as they found it. She found this hard to cope with when she returned from work at the end of the day.

They decided to look into having a Direct Payment instead and employing Personal Assistants to try and change the way his care package was managed. With the help of the Direct Payment Support Service, they were able to use the available money to come up with a package that provided support with his personal care, meal preparation, attendance at college and ability to go out socially. They were initially very nervous at the thought of advertising for and interviewing staff, managing the payroll and being an employer. However, with the support of a Direct Payments Adviser they have achieved this and he now has a small team of personal assistants and is consequently happier and more independent.

Steve's experience

Steve was a busy, working man. He was finding it increasingly difficult to work and care for his mother, Alma, with dementia, living in her own home. Steve felt that the best solution would be for his mother to move in with him, with a care package, to permit him and his wife to continue working and for them to provide unpaid support the remainder of the time.

Following the assessment of his mother by a social worker, a referral was made to **POhWER** for support with setting up an appropriate care package via a Direct Payment. Steve was supported via telephone and email conversations to open an appropriate bank account, recruit carers, put employer's liability insurance in place, appoint a payroll service and issue contracts of employment to his mother's carers. It was also explained clearly to him the responsibility of becoming an employer.

Steve was made aware that he would need to inform the Department of Work and Pensions of his mother's change of circumstances and also a reassessment would be required by the benefits options team.

Remote support suited Steve as he was able to keep a record of conversations that had taken place and refer back to them. It also meant that he could fit setting up the Direct Payment around his work and his mother's care.

Alma has now settled into Steve's home and the support package is currently working well, both for Alma and her son and daughter-in-law.

Steve is aware that he can contact POhWER at any point in the future for further support.





Better Understanding?

Have we worked with people who use services and their carers to give them a better understanding of what really works and matters at a time when there is concern and anxiety about changes?

Effective communication and support across different partner agencies are key when working with people, to guide them through what can seem like a maze of different support options, at a time when they may feel anxious and overwhelmed. We have worked with users and carers over the past year to explain some of the changes that are happening, and also to explain the type of care and support that will suit people most, for their particular situation, making the best use of our local resources and community groups. Here are some examples of how this is working:



Heather Osborne, Age UK, Shropshire, Telford & Wrekin Rapid Intervention and Partnership Working

Recently our Age UK Co-ordinator in north Shropshire, Angela Jebb, visited a lady in Ellesmere. The lady had severe arthritis which limited her mobility. Meres and Mosses Housing Association had been out a few times but could do little to improve the access or steps to her home which would make it safer for her. Angela asked if she'd considered moving, to which she replied she would, but she would want to stay in Ellesmere if at all possible.

Angela made a referral to Sustain Housing Support and they rang the following day to say they'd spoken to the lady and were going to show her a bungalow a few yards away that had just become free that had level access. A straight swap may be possible.

Sustain Housing Support were equally concerned about the access and agreed it was imperative that she move. The lady loved the new bungalow, but there were some timing issues about getting the paperwork in on time to be able to move quickly before it went on the Homepoint website for people to bid on.

Angela called Meres and Mosses Housing Association to see if she could lend any support to the lady's situation; she was told that it may be possible for them to restrict who could bid on it as the lady met certain criteria and they could help her bid on it.

A phone call was received, a week since the original visit, saying that the lady had secured the bungalow and would be signing for it in the next couple of days.

Better Understanding continued

A great example of Age UK, Sustain Housing Support and Meres and Mosses Housing Association working together, swiftly, to resolve a problem which will enable an older person to remain living independently.

The value of volunteering

Deb Zaza is a befriending volunteer for Age UK and this is her story in her own words...

I work in a finance department at Shrewsbury three days a week, my two sons are both at school and so my days off are my own (once the housework is done!). I always wanted to do something useful with my time off so earlier in the year I applied to Age UK to become a volunteer befriender. I have no living grandparents of my own and my heart strings are always pulled when I think of old people alone. Currently there are 70 people on the waiting list for a befriender in the Shropshire area.

The application was straightforward, forms filled in then an interview which was very informal, informing me of the do's and don'ts and asking me what sort of person I would be happy to visit; male, female, pets, no pets. I was very honest and I think that was important as I was then matched with someone that suited.

I began visiting in March; the first visit was supervised by a member of the Age UK staff, the lady was very nervous but seemed happy to meet me, and after she calmed down, we were able to chat.

I visit my lady every week for about a couple of hours, she is such a dear old lady, no family at all locally and only one living brother who lives far away, whom she

sees very rarely. She is mobile and looks after herself and her home but is very anxious and, although she lives in a warden-controlled flat, sometimes very lonely and isolated.

I have, over the weeks, become very fond of my lady, she is funny and has a great sense of humour, and we sometimes go out for a walk and have even ventured in my car to the local garden centre for afternoon tea. She is always so pleased to see me and often says that she has been much happier since I have been visiting and she looks forward to my visits. This is extremely rewarding for me, to know I am making someone who may not see anyone for a number of days happy! All my worries of the week seem very insignificant in comparison to what my lady must be feeling on some days. So I feel I am privileged to be part of the Age UK team and know I am making a difference.

I would recommend this voluntary work to everyone, an hour or two a week to make someone's life seem brighter is all it takes.

If you are interested in becoming a befriender, or in any of the other services Age UK offer I know they would be thrilled to hear from you:

www.ageukshropshireandtelford.org.uk





Better
Understanding
continued

Gusto



Julia Wenlock, Gusto Co-ordinator and Carers Support Service Administrator

The Shropshire Rural Community Council took over Gusto at the beginning of the year, relaunching the networking group in April.

Gusto is a network of independent, active people aged around 50 plus who want to meet new people and try new activities. Activities range from gentle strolls, regular exercise classes to crafts, coffees and lunches. The group has grown from strength to strength and we have found changing the activities, and using different locations across Shrewsbury and the wider area, has encouraged members to try more things, and visit places they wouldn't normally visit on their own.

The calendar isn't rigid and members can dip in and out of events to suit their own commitments. The group has a growing membership and has a 'try before you buy' policy offering potential new members up to three opportunities to experience the activities their

membership would offer. Currently several people are trying taster sessions.

Members come from all walks of life; we've seen several members join because they have been made redundant or taken early retirement, and now feel they have too much spare time on their hands. Other members are ex-carers who have dedicated a number of years to looking after loved ones, and now feel they have a large hole to fill as they're no longer caring.

Gusto has given many of our members a positive outlook on life, forming new friendships and having regular contact with other people. Our Monday Mingles are always well attended and a great opportunity for us to find out what our members have been up to and what they'd like to see on the next calendar. Events are now being planned ahead, with members looking forward to the New Year and new events.

For more information about Gusto visit
<http://www.shropshiregusto.co.uk>



Better Understanding continued

Abigail Butters, Support Planning Lead, People2People

Jeremy is 21 years old and has a mild learning disability. His mum, Sandra, contacted People2People for support during a difficult time, when Jeremy had finished his study at the local college and was at a loss as to what to do next. Jeremy was spending all day, every day at home doing very little and had lost touch with his peers. Sandra goes out to work most days and had become increasingly concerned that Jeremy was becoming socially isolated and losing what confidence he had gained at college.

Jeremy enjoyed and performed well in his vocational college course and felt he would like to work towards getting paid work in the future. He and his mum agreed that paid work might be too much pressure for him to cope with straightaway, but felt it would be helpful for him to have the opportunity to develop social skills in the workplace and build team work experience as a step closer to his goal.

People2People spent time with Jeremy and his mum to find out the things that matter most to him, his strengths and skills, passions and goals. Through this process it became clear that Jeremy likes practical 'hands on' work and the idea of being outdoors. Jeremy and his mum were supported to investigate a variety of options and opportunities available to a man of his age and interests in his local area. He was particularly interested in one project for 16-25 year olds, designed to develop participants' confidence and skills by working as part of a team in horticulture and conservation. The project would last three months and include a number of different 'taster days' as well as an opportunity to focus on one particular area of interest and even work towards a qualification.

Jeremy was supported to visit and enrol on the project. He was thrilled to sign up to the project and said he felt it would increase his motivation - he immediately became more animated at the idea of having something to get up for in the morning! Sandra was happy and relieved that Jeremy had found something he really wanted to do and felt that the information and support they had received had been really helpful.



What is the Care Act?



The Care Act is a new government act, which is a significant change to adult social care legislation and has been compared to being similar to the Community Care Act in 1990.

The Care Act will replace a number of different pieces of legislation with a single modern law and a new legal framework that will have the well-being of individuals at the centre of care and support services. Care and support means lots of different things for different people. It depends on what you need but can include things like, help to get out of bed, dressed or washed, help with eating or cooking meals, help with seeing friends and family or help with caring for others.

This new Act places new responsibilities on councils to commission and deliver good quality, joined up care and support services based on clear information and entitlements.

Are we prepared...

for the changes being proposed through the Care Act?



What is changing?

- There will be a stronger focus on preventing the need for care and support, by promoting people's well-being through local prevention services and early help.
- Carers will be treated as equals to the person they care for. This will mean that they are those that are eligible to a carers' assessment of their own care needs, and once support is identified, carers will be entitled to receive some of this support in the form of a direct payment.
- Reforms from April 2016, as to how care and support will be funded, by creating a limit to what individuals will be expected to pay.
- Systems for accessing support and services will be simplified.
- Shropshire Council will have an overview of how providers of local services deliver care, and will address any failures in providers that do not meet the quality standards expected.
- There will be changes to the adult safeguarding board.
- There is a new duty to provide social care in prisons.
- There is a new duty to ensure continuity of care if people move between areas.
- The provision of accessible information, advice and advocacy including access to financial advice.

In future, peoples' care and support needs will be met by:

- Using existing support within families and local neighbourhoods.
- Addressing people's needs at an earlier stage, through prevention services before critical and urgent needs arise.
- Provision of clear information about entitlements to state support.
- Better joined up care and support across different local services, keeping people and their needs at the centre of our approach.



Responding to the challenges

In order to respond to the big challenges, whilst continuing to deliver high quality support to those in need, we will need to radically change our approach to the provision of adult services in Shropshire.

If we want to maintain the level of access that we currently have for adult services we need to signal a different and smaller offer to everyone. Social care is often a vital part of enabling people to live independent lives, but it is far from being the only component to enable people to live fulfilled lives. We must build and harness the contributions that communities can make to support themselves and the people living in them.

We need to build a more sustainable adult services system that promotes and maintains greater independence for most people, which maximises the support available within local communities.

We need to enable local communities to respond to the needs within them to enable them to support each other for longer, so that higher level of statutory provision is available for those with the most complex of needs in our communities. We need to change the relationship that adult social care has with the public, and that fosters and promotes independence and self-management at every level.

We need to ensure that we have different conversations with the public from the moment we first engage with them, so that these expectations are understood, promoted and acted upon.

Engaging with people that use services in Shropshire is a vital component to ensure that any developments moving forward are co-produced and are built on what local people need.

So far we have worked with a variety of groups to look at the following:

- The impact of the Care Act and implementation of personal budgets for family carers, including what the pathway or journey would look like for a family carer. This initial workshop was attended by providers who are currently commissioned by Shropshire Council to provide services for family carers.
- What the online options for advice and support will look like. This included staff, external providers of online solutions so that we could explore what the options are available, and also people who are in receipt of services so that we could understand what they need and want from the council's website.
- As part of the 'Information and Advice' work stream, we have also consulted with the public to establish what it is they expect and at what stages through their journey they want it. This is a significant area for us to focus on, as information and advice features throughout the journey of somebody entering into adult services. Therefore, we want to ensure that the information we provide is accurate, relevant, provided when it is needed and that it is in the correct format. This is essential to give people every opportunity to self-help wherever possible.

More information about the Care Act can be found on the following link:

<https://www.gov.uk/government/publications/care-act-2014-part-1-factsheets>



Focus on carers



We recognise the important role that carers have in Shropshire. The views of carers are very important to us, for highlighting what's really important to them and identifying areas where we need to make improvements. This diagram brings together the key facts and issues raised by carers, taken from the Carers' Survey, the Census and other local agencies.

Who do they care for?

- Physical disability – 56%
- Problems connected to old age – 40%
- Long-standing illness – 38%
- Sight or hearing loss – 29%
- Dementia – 28%
- Mental health problems – 21%
- Learning disability – 15%
- Terminal illness – 4%
- Drug or alcohol dependency – 3%

33,360 Shropshire people view themselves as a family carer

(That's 1 in 7 adults)

Relationships

"Caring for my dad has stopped me living my life and helped the break-up of my marriage in a way, I have lost everything." "As I look after my husband 24/7 I am missing out on my family"

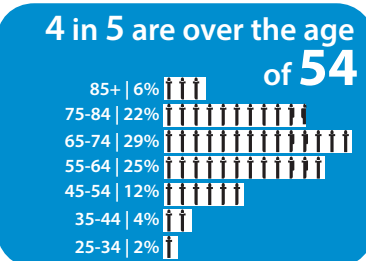
"... if I need support they [family & friends] are on hand"

Finance & work

"I am confused as regards to funding, I have been given conflicting information."

" [I] cannot go to work as I always have to be here to look after my partner"

"People I work for are supportive and understanding"



1 in 3 spend 100+ hours a week caring

That's equivalent to 14 hours a day

Health & well-being

"I do neglect my own health sometimes."

"Looking after someone 24/7 is very tiring; I am now on antidepressants."

"As my own health is getting worse, I am finding it more difficult to care for my wife."

Help & Support

"use of carers support service ...The phone line has been a great support with calming, practical, clear advice when all I could do was cry."

"We have little support from any agencies with regard to our own needs and health in caring for someone."



71% family carers say they don't have enough control of their life

What do carers want?

- To be recognised
- Time out
- Consistent Information
- Own needs assessed
- Faster assessments
- Certainty over future



In my view...

What's it like to be a carer?

By **Jon Hancock**, Making it Real board member.

Being a carer is tough. I look after my 94-year-old mother, who still lives in her own home but requires a lot of support. It is a huge responsibility and a constant worry. I'm lucky, I get a lot of help through my mother's support package, which provides her with regular visits from carers who help with food preparation and personal care. But there is still a lot to do. I run two households, my own and my mother's – gas bills, shopping, laundry, garden, medication and housework.

Just before her 93rd birthday she had a stroke. After a day in hospital, it was clear that this was serious. She had lost all mobility on her left side, she was unable to talk and she couldn't see very well. Whilst waiting in the stroke unit at Shrewsbury hospital, I noticed some leaflets

from the Stroke Association which described what a stroke was and how family and friends could help with the recovery of mobility. I didn't hold out much hope for any sort of recovery but I read the literature anyway, it was interesting.

One leaflet suggested singing as a method of recovering speech. It appears that singing is controlled by a different part of the brain. Her speech was just a mumble, nobody could understand her. I said, OK mum let's try singing; I started on "The Lambeth Walk" (very popular in 1938). To my (and her) absolute astonishment, a quiet but pure singing voice came ringing out - it was as if a child was singing.

From that moment on, the recovery seemed possible. We sang a lot, much to the bewilderment of visitors in the rest of the ward. Next we tried some exercises. My mum loves games and puzzles so I tried "Simon Says". Simon says lift your right arm and so on. She loved it and improvement in mobility started to show rapidly. The other thing that worked really well was tongue twisters, "Peter Piper picked a peck of pickled pepper" and "She sells sea shells", we had a lot of fun and the nursing staff seemed amazed at her fast recovery. Soon we were marching on the spot (sitting down), drawing, singing, "Simon Says" and various combinations of those. We tried dancing too.



A year later, she still struggles with finding the right words for things but otherwise you would never know that she has had a serious stroke. The Stroke Association literature was really good.

However, it's not all fun and games. Sadly, my mum has dementia. She is still quite switched-on, some of the time, but 'emergency' situations occur often. The other day, I was woken up at about three in the morning by a call from the care line in Hereford as my mum had pressed her community alarm button. I quickly drove down to see what the problem was. As soon as I opened the door to her house I could hear what sounded like an air raid siren. It was her alarm clock-radio. Somehow she had managed to set the radio to go off, in nuclear attack mode, at 3am!

No matter how much reassurance I give her, my mum is convinced that she is moving house. She calls me every morning to say "What time are the removal men coming?"

We are just about to embark on an incontinence assessment so that she can have the correct protection. Hopefully, that will make getting her up in the morning slightly more pleasant for her and her care workers.

It is difficult to sum up in few words what life as carer is like and of course, it is different for everybody. Caring for someone with dementia can be extremely frustrating but there is help available from various organisations.

As I write this, we've just come back from a delightful family holiday. With perseverance, I had managed to arrange some respite cover with Shropshire Council and I almost managed to persuade my mother that two weeks in a care home would be fun! Now I have the difficult task of rehabilitating her to home life.



The nurses at the home are very kind but unfortunately, they don't seem to offer much exercise. Sitting in a chair all day and being served with a generous supply of hot meals, tea and biscuits is not always good. After two weeks she can't walk any more. Poor mother, it is back to "Simon Says" and marching on the spot to get her back into shape.

I was invited to join Shropshire Council's Making it Real board because of my experiences in caring for my mother. Because of the evolving situation with personalisation, the transfer to People2People and new Care Act, the system has been in a state of flux. The information offered by the council can sometimes be confusing, contradictory and difficult to find.

The new 'First Point of Contact' system is improving things, ensuring that every call is logged and callers are directed to the correct information. I hope that further improvements will be noticed once the changes in the Care Act are fully in place. I will continue to try and help shape and improve the system... with my mother's help!

Jon.

Jon Hancock –
Making it Real board member.



In my view...

What's it like to use support services?



By **Katie Smith**, Making it Real board member.

I am a person before my disability and this ends up playing part of my journey as well.

I grew up in Hampshire, moving to Shropshire on 2 August 2008 (the day of my 18th birthday) to work at an activity centre as an outdoor activity instructor. The job involved teaching young people activities such as climbing, high ropes, fencing and archery. I was in my element and my long-term goal was to work with young people with additional needs in an outdoor setting.

Then, at 12.50pm on 26 January 2011, a simple fall changed my life. I lived alone, was independent and would lead a group of 12 young people. I literally had their lives in my hands when they were climbing.

When I had the fall, I gave myself a brain injury. I was admitted to hospital and then moved to Evesham hospital; it was from there I was given a Shropshire social worker. The social worker was the first person who gave me hope and helped me to see the light. I was going to be discharged from the hospital without any support including physio, care or even a wheelchair - I could just about manage walking 10 metres with a frame!

Thank God my social worker stepped in, it would have been incredibly unsafe to discharge me without the proper support I needed. I was then in the Shropshire 'system' and I was given hope and, most importantly, was going to be safe.

In August 2011 I was given somewhere to live. I was stubborn and determined to live alone and if you asked anyone, including my social worker, if I would cope I think she would have definitely said "I doubt it". Put it this way, there's a reason my home wasn't decorated when I moved in - no one thought it would be long-term.

It hasn't been easy, but coming up for four years on I am pleased to say that I have proved everyone wrong.

I have been provided with some additional things. I have a bed alarm in case of seizures at night, a double size crash mat next to my bed in case I have a seizure and come out of bed, a mat that I can have next to the sofa in case I have one during the day, a pendant alarm system that I can press for help if I feel a seizure coming on, if I've had one or if I fall. I also have a hoist to help me up if I fall. Without these I could not live alone, and my quality of life would be jeopardised.

At the moment I require help with dressing, meal preparation, organising medication, going out and about, washing - the sorts of the things you don't realise you do on an everyday basis.

To keep me even more independent, I use my iPad for many things - it's my calendar (I am incredibly disorganised), I use it to make notes, I can download PDF/Word documents onto it. But, most importantly for me it has a piece of software called AbleLink. This software helps me to follow, by using photos and recorded voices, the sequence of a task such as making a sandwich. This helps me to become more cognitively independent.

I have written this with only a little support and can talk for England as well as hold a strong conversation, but using the example of making a sandwich is a true example - yes I need software to talk me through making a simple sandwich.



I now require a team (I can confidently say team as all my support network communicate so well together) made up of carers, social workers, occupational therapists, personal assistants, psychologists, consultants and physiotherapists. I didn't realise there was that many, which shows how inter-linked everyone is. That is when I am not in hospital!

A bit of a change you could say from what I refer to as my 'old life'. But these people and pieces of equipment keep me in my house and support my need for independence.

However there's only so much that can be controlled. The injury has left me with epilepsy that isn't always that well controlled. It can lead to being admitted to hospital a large number of times.

I also received a left sided incomplete hemi-plegia (similar to a paralysis, but only affecting one side). This can lead to a high level of falls. Between the epilepsy and falls, I end up with a large number of additional hours of carer support which falls outside of the standard level of care I have on rota. Up until 10pm the agency can end up coming out to falls I have had outside of these times



paramedics have to attend. You end up feeling like a burden on the emergency services, as it's not an emergency but they have to put it through as an emergency as it's a risk of pressure sores and I have to be checked for any injuries that I may have sustained during the seizure.

I like to refer to myself as a user of an enablement service, as I feel that I am not being cared for in one sense, I see my 'care' is actually part of enabling me to live. Without 'care' I wouldn't be able to have the quality of life I have now.

The long-term prognosis is unknown, but with the team I have around me I know I have the best shot at things.

But my brain injury has been great (find the positives!), my personality changed - I now own nail varnish, skirts and dresses. I also found a lot of determination, I don't let things drop. That's not always great, but when I am passionate about something it's good. I'm not scared to speak my mind and I'm more confident. Without the injury there's no way I could have taken on a role as actively as I have as the 'old' me just wasn't like this.



Thanks for staying awake
only Katie...



Katie Smith has recently been working with Shropshire Council on a workforce planning project, one of only three in England, looking at Individual Employers (IEs) and their personal assistants. As part of this, she has taken on the role of a Champion for IEs in Shropshire, giving them a voice nationally and sharing their perspective. She is also part of the IE peer groups that we are currently setting-up across Shropshire, groups of IEs that come together regularly to share experiences and meet others.

Katie is currently working with us on a new project for Skills for Care, developing a Learning and Development Guide for personal assistants that will be shared across England.



Information and Advice

We have been working with a consortium of volunteers to see how people receiving support and their carers access information and advice.

This work has involved:

- **Speaking** to groups of individuals who use services and family carers about how they prefer to get information and advice which will help us to make sure that we put the right things in place.
- **Reviewing** our website so that it is easier for people to use and to help them find information about support services more easily.

Would you like some more information?

As we said at the beginning, this isn't intended to be a guide to support services in Shropshire, but we hope it has been a useful summary of our story over the past year.

Here are some places you can go to get more information.

General Adult Social Care information – www.shropshire.gov.uk/health-and-social-care/

Rural Community Council Shropshire (RCC) – www.shropshire-rcc.org.uk/

The RCC provides support to family carers in Shropshire.

People2People – www.people2peoplecic.org.uk/
People2people are a community interest company currently providing the social work and occupational therapy services on behalf of Shropshire Council through the Department of Health pilot.

- **Investigating** how to ensure people can be signposted to good independent financial advice to help them to make decisions over their financial situation and plan for the future.

Individuals and family carers have told us that they don't just want a digital solution and although they agreed websites are good, this is not the only way people find information. People also told us that they do trust independent, voluntary sector groups to give them good advice but that they sometimes don't know how to find these groups in the first place.

Feedback from those we spoke to also informed us that individuals and family carers want information appropriate to their current situation and don't want to be overloaded with too much information. People also needed to know how the system works and what to expect when they first come into contact with social care services.

Healthy Shropshire – www.healthyshropshire.co.uk
Developed by Shropshire Council's public health team. Healthy Shropshire, a new website aiming to provide a single point of access to simplify signposting and improve access to both public and health professionals. It provides a wealth of information on support available to help those wanting to make those positive changes to their health. These include, stop smoking, keeping physically active, eating healthily, drinking sensibly and feeling positive.

Pohwer – <http://www.pohwer.net/in-your-area/where-you-live/shropshire>
POhWER are currently commissioned by Shropshire Council to provide support and advice services for those in receipt of a direct payment.

Healthwatch – <http://www.healthwatchshropshire.co.uk/>
Healthwatch Shropshire is the health and social care champion for people and local communities in Shropshire.

Events – <http://shropshirevcs.org.uk/home/events/>

Performance Matters



It is important to have performance measures in place so that we can see, and central government can see, at a glance, how well we are doing. Whilst the national measures are useful, we are also in the process of developing a set of local measures to measure more specific areas that are important to Shropshire residents. This local set of measures will be important, as we adapt to the new ways of working – we will need to ensure these measures tell us what we need to know, so please let us know if you have any comments relating to this work.

Everything we do has a cost attached, and the overall spend on each service area is summarised below:

National Measures

The National Adult Social Care Outcome measures were first introduced and published by the Department of Health in 2011/12, and have been updated for each council in England, each year since. They have three main purposes:

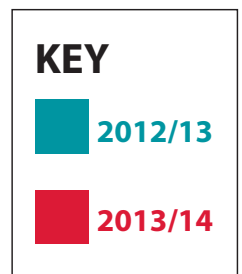
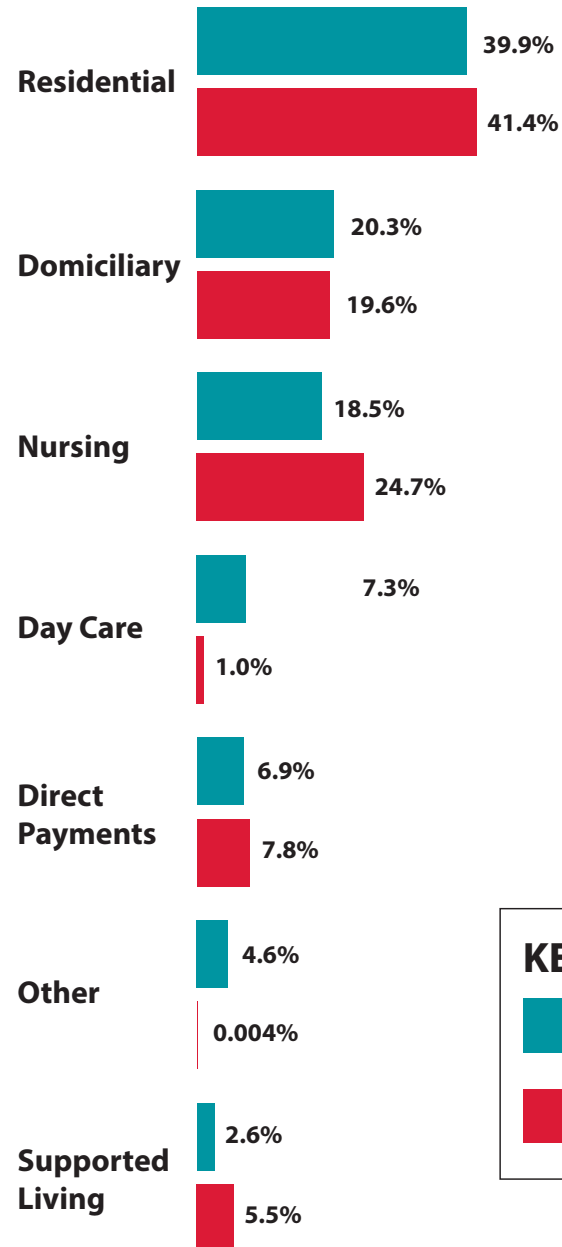
- To give a national picture of the strengths and weaknesses of delivering better outcomes for people and their carers who use adult social care services.
- To be used locally, to improve the services that we commission and deliver locally. We also use this data regionally, to compare our performance with that of other councils, to share best practice and apply this in Shropshire to improve local services.
- To provide the public with a clearer picture of how we support people in Shropshire who have care and support needs, and to 'hold us to account' for this performance.

Adult social care performance

More details relating to our performance for 2013/14 can be found here <http://asconf.hscic.gov.uk/Outcome/417/>

How much did we spend in 2013/14?

Percentages are 'Proportion of total cost spent on each service type'



Adult Social Care Outcomes

	12/13 Result	13/14 Result	Comments/Actions for 2014/15
ENHANCING QUALITY OF LIFE:			
Social care-related quality of life.	18.8	18.5	This is based on responses to an annual User Survey and gives an overarching view of social care users' perceptions of their quality of life in Shropshire.
Proportion of adult social care users who have control over their daily life.	77.8	71.8	This is based on responses to an annual User Survey and measures the extent of control users feel they have over their daily life.
Proportion of adult social care users who receive self-directed support, and direct payments.	74.2%	75.5%	Our priority is to increase the take up of direct payments and individual service agreements to ensure greater flexibility for individuals in how their care is provided.
Proportion of people using social care who receive direct payments.	28.8%	32.0%	Direct payments are an important aspect of personalisation and we aim to continue to increase take up of these also.
Proportion of adults (aged 18-64) with Learning Disabilities in paid employment.	12.3%	11.2%	Studies show that there is a strong link between employment and enhanced quality of life. We have shown a dip in performance this year, which is maybe mirrored by the economy as a whole.
Proportion of adults in contact with secondary mental health services in paid employment.	13.4%	13.6%	Studies show that there is a strong link between employment and enhanced quality of life. We have shown improvements year on year for this measure.
Proportion of adults (aged 18-64) with learning disabilities who live in their own home or with their family.	78.0%	80.0%	We continue to support vulnerable people to live independently.
Proportion of adults in contact with secondary mental health services who live independently, with or without support.	77.9%	79.9%	We continue to support vulnerable people to live independently.
Proportion of service users who said they have as much social contact as they would like.	N/A	38.7%	This result is taken from the annual User Survey. Studies show that there is a link between loneliness and poor health.

	12/13 Result	13/14 Result	Comments/Actions for 2014/15
DELAYING AND REDUCING THE NEED FOR CARE AND SUPPORT:			
Permanent admissions of adults (aged 18-64) into residential/nursing care homes, per 100,000 population.	24.7	12.1	Good performance is LOW. We have made good improvements since last year. Our priority is to keep admissions into care homes to a minimum, and to enable people to live independently in their own homes for as long as possible.
Permanent admissions of older people (aged 65+) into residential/nursing care homes, per 100,000 population.	812.2	749.2	Good performance is LOW. Our priority is to keep admissions into care homes to a minimum, and to enable people to live independently in their own homes for as long as possible.
Proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement services.	64.6%	76.77%	Being able to remain living at home following discharge from hospital with reablement services is the key outcome for people, demonstrating that we have effective partnership arrangements in place.
Delayed transfers of care from hospital, (for adults aged 18+) attributable to adult social care.	4.8	3.1	Good performance is LOW. Our priority is to ensure delays from hospital are kept to a minimum and we have shown good performance year on year.

ENSURING PEOPLE HAVE A POSITIVE EXPERIENCE OF CARE AND SUPPORT:

Proportion of social care users who are satisfied with their care.	62.6%	66.2%	This is based on users' responses to an annual survey. Reported satisfaction levels are a good indication of people's overall experience of service and quality.
Proportion of service users who find it easy to find information about services.	73.6%	68.4%	This measure reflects service users' experiences of accessing information and advice over the last year, taken from the annual User Survey. Improving access to information is one of our key priorities.

ENSURING PEOPLES' SAFETY:

Proportion of service users who feel safe.	62.7%	62.8%	Feeling safe is fundamental to ensuring people's well-being, and is a key priority. This measure is taken from the annual User Survey.
Proportion of service users who say the services they receive have made them feel safe.	63.8%	80.9%	This measure, from the annual survey, shows the extent to which people feel the adult social care services they received have had a direct impact on how safe they feel.

GREEN denotes improved performance compared to last year.

RED denotes decrease in performance compared to last year.



Our push for improvements

This Local Account accurately reflects both the very good work that we are doing and the ongoing challenges we face in adult services. As my knowledge of our social work practice grows, and I spend time sharing and learning from lead councillors in other areas, I am ever more confident that our service is recognised as a model of best practice across England. Indeed, at a recent conference I attended, the work being done in Shropshire is being highlighted for other council's to learn from. This external validation gives me confidence to push for further improvements and to make sure that people who look to us for support remain at the centre of everything we do.

Lee Chapman

Shropshire Council's Cabinet Member for adult services, transformation and safeguarding.



Our Priorities for 2014/15

The council will continue to work with key partners to enable local people in their communities to get advice, information and help they need when they need it.

- People will receive support that meets their needs, closer to home, in their local communities.
- We will make best use of our local community resources, encouraging local communities to work together and to be more self-reliant.
- We will encourage volunteering and we will foster opportunities for people with disabilities to gain paid employment.
- We will continue to focus on early help, to enable people to help themselves, at an earlier stage, before they reach a crisis.
- To support carers, to continue their important caring role.
- We will continue to develop a programme of supported accommodation to ensure this is appropriate to people's needs, and wherever possible, to enable people to stay in their own community.
- We will develop our local market of providers to ensure there is a suitable range of support options available for people to choose from including encouraging the further development of the Personal Assistant Market.
- We will exploit new technology alongside existing partners, to provide creative solutions to ensure everyone who is assessed as needing this type of support, such as electronic pendant alarms, receives it.
- We will respond, and be compliant with changes in new legislation, such as the Care Act.
- We will develop a structured programme of engagement with our local communities, to obtain feedback on the effectiveness of the new ways of working, including our implementation and impact of the Care Act.
- We will continue to ensure the most vulnerable people in Shropshire receive value for money services, to deliver the best outcomes.
- Keeping vulnerable people safe will continue to be one of our top priorities, together with ensuring people feel safe.

Glossary

Advocacy – An advocate is someone who argues your case for you and makes sure the correct procedures are followed. If you have had difficulties with benefits or services, for instance, you may find that an advocate can help solve these problems.

Befriending service – A befriending service works by assigning each older person a befriender, who provides friendly conversation and companionship on a regular basis over a long period of time. Many voluntary and community organisations provide befriending services, some by telephone and some where a volunteer visits the older person at their home. This vital service provides a link to the outside world and often acts as a gateway for other services and valuable support.

Better Care Fund – The Better Care Fund is a pooled budget that focuses on keeping people out of hospital, shifting focus into using social care and community services for the benefit of local residents, the NHS and the council. The Better Care Fund will transform local health and social care services so that they work together to provide prevention strategies together with better integrated care and support and for people. It is a national programme bringing resources from the NHS and council's into integrated ways of working, re-enforced by a single pooled budget.

Care and support – The mixture of financial, practical and emotional support that helps people to do the everyday things that most of us take for granted, such as getting out of bed, dressed and into work; choosing what and when to eat; and getting out of the house, being able to see friends and care for our families.

Care package – A care package is a combination of services put together to meet a person's assessed needs as part of the care plan arising from an assessment or a review. It defines exactly what that person needs in the way of care, services or equipment to live their life in a dignified and comfortable manner.

Carer – A carer is somebody who provides unpaid support or who looks after a family member, partner or friend who needs help because of their age, physical or mental illness, or disability.

Commissioner – The people or organisations that make sure that the right health and care services are provided to meet the needs of the population.

Direct payment – Payments made directly to someone in need of care and support by their council to allow the person greater choice and flexibility about how their care is delivered.

Fair access to care criteria – Shropshire Council use this criteria to assess against to determine eligibility for funded support.

Indicative – An indication or suggestion.

Individual employer (IE) – somebody that employs their own staff.

Individual Service Funds (ISF) – A way of managing your Personal Budget. An ISF is where all or some of your Personal Budget would be held and managed by your chosen provider.

Intervention – Actions that are / were taken.

Needs assessment – This is how a council decides whether a person needs care and support to help them live their day-to-day lives.

Peer support – A group of people providing advice and support to one another who have similar needs and interests.

Personal assistants – Someone who works for you to provide you with the support that you require.

Personal Budgets – This is a statement that sets out the cost to the council of meeting an adult's care needs. It includes the amount that the adult must pay towards that cost themselves (on the basis of their financial assessment), as well as any amount that the council must pay.

Prevention services – The aim of prevention services is to enable vulnerable residents to achieve or maintain independence in their communities.

Re-enablement – Re-enablement encourages service users to develop the confidence and skills to carry out these activities themselves and continue to live at home.

Respite – Respite is a break from caring for someone else. This can mean a few hours during the day, 'night sitting' or even a full holiday.

Safeguarding – Safeguarding is a way to prevent people who are deemed 'unsuitable' from working with vulnerable adults or children.

Self-directed support – Self-directed support (SDS) allows people to choose how their support is provided, and gives them as much control as they want of their individual budget. Put simply, SDS is the support a person purchases or arranges, to meet agreed health and social care outcomes.

Service user – Service users are people who use health and social care services, or who are potential users of health and social care services.

Statutory services – Services that the council are legally obliged to provide.



Making it Real in Shropshire – our story so far Adult Social Care Local Account 2013-14

We would like to thank all of the organisations that enabled us to produce this document. Also, our special thanks goes to Katie and Jon for their tireless work in helping us to make things better.

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