



Shropshire Council  
 Legal and Democratic Services  
 Shirehall  
 Abbey Foregate  
 Shrewsbury  
 SY2 6ND  
 Date: 10 December 2014

**Committee: Council**

**Date: Thursday, 18 December 2014**

**Time: 10.00 am**

**Venue: Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

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

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

Malcolm Pate (Chairman)	Steve Davenport	Peggy Mullock
David Lloyd (Speaker)	Andrew Davies	Peter Nutting
Keith Barrow (Leader)	Pauline Dee	Mike Owen
Ann Hartley (Deputy Leader)	David Evans	Kevin Pardy
Peter Adams	Roger Evans	William Parr
Andrew Bannerman	John Everall	Vivienne Parry
Nicholas Bardsley	Hannah Fraser	Malcolm Price
Tim Barker	Nigel Hartin	David Roberts
Charlotte Barnes	Richard Huffer	Keith Roberts
Joyce Barrow	Tracey Huffer	Madge Shineton
Tudor Bebb	Roger Hughes	Jon Tandy
Martin Bennett	Vince Hunt	Robert Tindall
Thomas Biggins	John Hurst-Knight	Dave Tremellen
Andy Boddington	Jean Jones	Kevin Turley
Vernon Bushell	Simon Jones	David Turner
Gwilym Butler	Miles Kenny	Arthur Walpole
John Cadwallader	Heather Kidd	Stuart West
Karen Calder	Christian Lea	Claire Wild
Dean Carroll	Robert Macey	Brian Williams
Lee Chapman	Jane MacKenzie	Mansel Williams
Steve Charmley	Chris Mellings	Leslie Winwood
Anne Chebsey	David Minnery	Michael Wood
Peter Cherrington	Pamela Moseley	Tina Woodward
Ted Clarke	Alan Mosley	Paul Wynn
Gerald Dakin	Cecilia Motley	

Your Committee Officer's are:

**Karen Nixon and Penny Chamberlain**

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# 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 - 14)

To approve as a correct record the minutes of the previous meeting held on 25 September 2014.

## 4 Announcements

To receive such communications as the Chairman, Speaker, Leader and Head of Paid Service may desire to lay before the Council.

## 5 Public Questions

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

Two separate petitions, each bearing over 1,000 signatures have been received as follows, each requesting a debate under the Council's Petition Scheme;

- a) Petition to keep Westgate House for Bridgnorth Community Use – Paul Passant.
- b) Petition to turn at least 1 in 3 street lights back on in Whitchurch – Jane Kirk.

Each petitioner will be allowed 5 minutes to outline their case, after which there may be a debate of up to 15 minutes maximum.

## 6 Questions from Members (Pages 15 - 32)

To receive any questions from Members, notice of which has been given in accordance with Procedure Rule 15.2.

## 7 Setting the Council Tax Taxbase for 2015/16 (Pages 33 - 50)

Report of the Head of Finance, Governance and Assurance is attached.

Contact James Walton Tel 01743 255011.

**8 Treasury Strategy 2014/15 - Mid Year Review (Pages 51 - 68)**

Report of the Head of Finance, Governance and Assurance is attached.

Contact James Walton Tel 01743 255011.

**9 Creation of New Pension Board (Pages 69 - 76)**

Report of the Head of Finance, Governance and Assurance is attached.

Contact James Walton Tel 01743 255011.

**10 University Centre Shrewsbury**

Report of the Chief executive WILL FOLLOW.

Contact Clive Wright Tel: 01743 2701.

**11 Organ Donation (Pages 77 - 92)**

Report of the Director of Public Health is attached.

Contact Rod Thomson Tel 01743 253934.

**12 Local Joint Committees - Update on Boundaries (Pages 93 - 98)**

Report of the Director of Commissioning is attached.

Contact George Candler Tel 01743 255003.

**13 Motions**

The following motions have been received in accordance with Procedure Rule 16:

13.1 The following motion has been received from Councillor Martin Bennett

The Housing Minister, Brandon Lewis, has recently announced significant changes to the regime under which developers of Market Housing are obliged to make provision for local needs Affordable Housing.

Under the new rules Councils will be unable to require the previous levels of Affordable Housing contributions or provision on all but the larger schemes.

This will significantly reduce this Council's ability to make much needed provision for Affordable Housing and reduce our future ability to replicate the significant successes that have been achieved in recent years.

This Council therefore agrees that it will put in place the following course of

action.

- Instruct the Chief Executive to write to the Housing Minister asking him to reverse his decision.
- With other Councils, lobby the LGA to put pressure on Government to reverse the policy.
- Ask the RSA to similarly seek reversal of the decision.
- Through the Portfolio Holder, lobby our local MPs to point out to the Housing Minister the undesirability of the implications of this decision.'

13.2 The following motion has been received from Councillor Miles Kenny:

'Over many years Central Government have eroded local democracy, taken away powers from local government and have introduced responsibilities based on central government policies without funding or adequate funding. The quality of life and wellbeing of our constituents be they in need of care, learning facilities, health provision, environmental protection, business development, jobs and in every walk of life has been adversely effected.

Therefore this council instructs the chief executive to liaise with other local government chief executives and the LGA to bring to an end the devastating cuts to local services and restore local democracy. The chief executive to report back to council on the results and council then considers its options on what further action to take'

13.3. The following motion has been received from Councillor Alan Mosley:

Given that the Future Fit project has reached a critical stage in determining policy and strategy for the future of NHS services in Shropshire, Shropshire Council strongly believes that the retention and development of full A & E services and facilities at the RSH is essential. Furthermore the Council commits itself to pursuing this objective in every way possible and in generally ensuring that there is no reduction in the overall levels of service and quality at RSH which are freely available for residents of Shropshire and neighbouring areas.

13.4 The following motion has been received from Councillor Roger Evans:

In amongst the very few actual correct facts given in answer to a previously tabled question it is noted that because it is not in the Articles of Association the elected members who are Directors of IP&E are not required to and consequently are not prepared to attend an Annual General Meeting of IP&E Ltd. This is despite the many verbal commitments given when it was first formed.

Two and a half years after formation this company is still unable to start repaying any of the public money this council has loaned it. This money could have been used to help others and in need of help. An example being the return of long term empty homes back in use which would then provide

extra much needed affordable homes for local Shropshire residents. According to data recently seen each long term empty home returned to use has on average meant that Shropshire Council gains over £3,100 in New Homes Bonus. This appears to be a far better use of scarce council resources. Council and local residents need to be reassured that IP&E is not wasting money and the investment made will provide the return promised nearly three years ago.

This council therefore instructs the Chief Executive

- To discuss with Directors of IP&E alterations that are needed to ensure an Annual General Meeting is held.
- To put into effect the process to implement these changes to the Articles of Association as soon as possible.
- To present a full set of accounts with narrative prior to the public AGM.
- To organise a public Annual General Meeting at which the IP&E Board Chairman together with other Elected Member Directors can present a report, hear concerns and answer the many questions that residents and councillors have.

Failing this, then Council instructs the Chief Executive to stop any more loans being made to IP&E and to put into effect a process to enable all present IP&E staff to once again become Shropshire Council employees.

**14 Report of the Shropshire and Wrekin Fire and Rescue Authority (Pages 99 - 102)**

To receive the report of the Shropshire and Wrekin Fire & Rescue Authority arising from its meeting held on 8 October 2014.

**15 Exclusion of the Press and Public**

To RESOLVE that in accordance with the provisions of Schedule 12A, Local Government Act 1972 and paragraph 10.4(3) of the Council's Access to Information Procedure Rules, the public and press be excluded during the consideration of the following items.

**16 Church Stretton Secondary School Sports and Communities Facilities (Pages 103 - 148)**

Exempt report of the Head of Customer Support and Assets is attached.

Contact Steph Jackson Tel 01743 253861.

**17 Stone House, Ludlow (Pages 149 - 152)**

Exempt report of the Head of Customer Support and Assets is attached.

Contact Steph Jackson Tel 01743 253861.

**18 University Centre Shrewsbury**

Exempt report of the Chief Executive WILL FOLLOW.

Contact Clive Wright Tel 01743 252701.



## Committee and Date

Council

18 December 2014

## COUNCIL

### **Minutes of the meeting held on 25 September 2014**

**In the Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

**10.00 am - 2.00 pm**

**Responsible Officer:** Karen Nixon

Email: karen.nixon@shropshire.gov.uk Tel: 01743 252724

## PRESENT

Councillor Malcolm Pate(Chairman) and Keith Barrow (Leader).  
Councillors David Lloyd (Speaker), Ann Hartley (Deputy Leader), Peter Adams, Nicholas Bardsley, Tim Barker, Charlotte Barnes, Joyce Barrow, Tudor Bebb, Martin Bennett, Thomas Biggins, Andy Boddington, Vernon Bushell, Gwilym Butler, John Cadwallader, Karen Calder, Dean Carroll, Lee Chapman, Steve Charmley, Anne Chebsey, Peter Cherrington, Ted Clarke, Gerald Dakin, Steve Davenport, Andrew Davies, Pauline Dee, David Evans, Roger Evans, John Everall, Hannah Fraser, Nigel Hartin, Richard Huffer, Tracey Huffer, Vince Hunt, John Hurst-Knight, Jean Jones, Simon Jones, Miles Kenny, Heather Kidd, Christian Lea, Robert Macey, Jane MacKenzie, Chris Mellings, David Minnery, Pamela Moseley, Alan Mosley, Cecilia Motley, Peggy Mullock, Mike Owen, Kevin Parry, William Parr, Vivienne Parry, Malcolm Price, David Roberts, Keith Roberts, Madge Shingleton, Jon Tandy, Robert Tindall, Dave Tremellen, Kevin Turley, David Turner, Arthur Walpole, Stuart West, Claire Wild, Brian Williams, Mansel Williams, Leslie Winwood, Tina Woodward and Paul Wynn.

## 44 APOLOGIES FOR ABSENCE

The Chief Executive reported that apologies for absence had been received from the following; Mr A Bannerman, Mr R Hughes, Mr P Nutting and Mr M Wood.

## 45 DISCLOSABLE PECUNIARY INTERESTS

Members were 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.

## 46 MINUTES

**RESOLVED:** That the Minutes of the meeting held on 17 July 2014, as circulated with the agenda papers, be approved and signed as a correct record.

## 47 ANNOUNCEMENTS

### Chairman's Engagements

The Chairman referred Members to the list of official engagements carried out by himself and the Speaker since the last meeting of the Council on 17 July 2014, which had been circulated at the meeting.

## 48 PUBLIC QUESTIONS

### 48.1 Petitions

The Speaker advised that there were no petitions.

### 48.2 Public Questions

The Speaker announced that one public question had been received from Mr M Mulloy in accordance with Procedure Rule 15 (a copy of the report containing the detail of the question and formal response is attached to the signed minutes).

Mr Mulloy did not attend the meeting and therefore there was no supplementary question.

## 49 QUESTIONS FROM MEMBERS

The Speaker advised that eleven questions from Members had been received in accordance with Procedure Rule 15 (copies of the report containing the detailed questions and their formal responses are attached to the signed minutes, including the late response to Question 9).

- (i) Received from Mr M Kenny and answered by Mr G Butler, Portfolio Holder for Leisure, Libraries and Culture, about the sale of Fairtrade products at the Theatre Severn café/restaurant – copy attached to the signed minutes.

By way of a supplementary question Mr Kenny asked if the sale of Fairtrade products at the café could be insisted upon as well as showcasing the café for local producers.

In response the Portfolio Holder confirmed that market testing was currently being undertaken and that he would include Mr Kenny's suggestions in future negotiations.

- (ii) Received from Mr M Kenny and answered by Mr M Price, Portfolio Holder for Planning, Housing and Commissioning (Central), about fracking policy and making Shropshire 'Frack Free' as in Cheshire East – copy attached to the signed minutes.



By way of a supplementary question Mr Kenny asked if he could have an answer to the element of his question about a 'frack free Shropshire', which had not been included.

In response the Portfolio Holder said that further to attending a seminar in Preston on Fracking, which he found most informative, he was now arranging for speakers to come to Shrewsbury and provide a similar information session to which all Members would be invited.

- (iii) Received from Mr K Pardy and answered by Mr S West, Chairman of the Shropshire and Telford Fire and Rescue Authority about officers' expenses claims in the light of efficiency cuts - copy attached to the signed minutes.

Mr Pardy thanked Mr West for his informative answer and confirmed that he did not wish to ask a supplementary question.

- (iv) Received from Mr A Boddington and answered by Mr K Barrow, Leader of the Council, about the collapse of Ludlow's town walls and their repair – copy attached to the signed minutes.

By way of a supplementary question Mr Boddington asked if it would be possible to unlock negotiations by way of obtaining some grant 'in kind' and thereby access Heritage Lottery funding.

In response the Leader confirmed that negotiations were already taking place for repairs to be made to the town walls in Ludlow. He asked Mr Boddington to meet with him after the meeting to discuss the matter further.

- (v) Received from Mrs P Moseley and answered by Mr K Barrow, Leader of the Council, about the closure of Hartley's Day Centre, Shrewsbury – copy attached to the signed minutes.

By way of a supplementary question Mrs Moseley asked with hindsight, would the better course of action have been to have halted proposals to close Hartley's Day Centre when the legal challenge was first initiated, and to conduct an appropriate consultation as required by law and would Councillor Barrow acknowledge that the judgement from The Court of Appeal had harmed the reputation of the Council and its standing with the residents of Shropshire and partner organisations, and that, even at this late stage, an apology should be offered to those who have been adversely affected.

In response the Leader confirmed that it was important to focus on the future, not the past. He believed that the service was now run better and more cost effectively with better outcomes for the people of Shropshire.

- (vi) Received from Mr R Evans answered by Mr S Charmley, Portfolio Holder for Business Growth, ip&e and Commissioning (North) - detailed questions about ip&e - copy attached to the signed minutes.

By way of a supplementary question Mr Evans asked if ip&e were responsible for a two year contract for Consultants at a cost of £95,000 per annum, agreed at a meeting on 28 October 2013. Furthermore he asked for confirmation that the £500,000 loan to ip&e over 30 months (agreed at Cabinet in June 2013) had been repaid within the 30 months as stipulated.

In response the Portfolio Holder indicated that he would let Mr Evans have a written reply.

- (vii) Received from Mr R Evans and answered by Mr S Charmley, Portfolio Holder for Business Growth, ip&e and Commissioning (North) - further detailed questions about ip&e – copy attached to the signed minutes.

By way of a supplementary question Mr Evans asked if the Directors of ip&e were appointed by Cabinet and why Members could not see ip&e's accounts without going to Companies House.

In response the Portfolio Holder confirmed ip&e was the future for Shropshire Council and the people of Shropshire. It was not outsourcing, it was transferring services. Many reports had been made to Cabinet and Council about ip&e. In conclusion he asked Mr Evans to meet with him after Council to discuss the matter further.

- (viii) Received from Mr M Williams and answered by Mr S Charmley, Portfolio Holder for Business Growth, ip&e and Commissioning (North) about the redevelopment of the Riverside Centre, Shrewsbury - copy attached to the signed minutes.

By way of a supplementary question Mr Williams asked if the Portfolio Holder agreed that the Shrewsbury Bus Station was sub-standard and would he agree to it being included in any redevelopments of the Riverside shopping centre.

In response the Portfolio Holder asked Mr Williams to meet with him after the meeting to discuss the matter further.

- (ix) Received from Mrs C Barnes and answered by Mr M Price, Portfolio Holder for Planning, Housing and Commissioning (Central), about ip&e's AGM - copy attached to the signed minutes.

By way of a supplementary question Mrs Barnes requested that a special Enterprise and Growth Scrutiny Committee be held to scrutinise ip&e's first two years of operation and their trading activities, and that this meeting be held before the revised Business Plan was agreed on 15 October 2014.

In response the Portfolio Holder confirmed that he would discuss this request with the Chairman of Scrutiny and get back to Mrs Barnes.

- (x) Received from Mrs C Barnes and answered by Mr S Charmley, Portfolio Holder for Business Growth, ip&e and Commissioning (North) about land searches - copy attached to the signed minutes.

By way of a supplementary question Mrs Barnes asked if the extra resource put in place to deal with the recent backlog of land searches would remain in place to keep turnaround down to 15 days and also from where the extra staff would be pulled in to undertake this work and if there had been any knock-on effect due to this.

In response the Portfolio Holder confirmed that turnaround was now down to 10 days and asked that she speak to the officers directly if there were any future problems in this regard.

- (xi) Received from Mr A Boddington and answered by Mr M Price, Portfolio Holder for Planning, Housing and Commissioning (Central) about planning performance in the county – copy attached to the signed minutes.

By way of a supplementary question Mr Boddington asked if the Portfolio Holder was proud that there were only 14 other authorities performing slower than Shropshire Council.

In response the Portfolio Holder commented that despite going through VER and re-design recently, plus having to deal with the extra work created by SAMDEV and the 5 year land supply, which had escalated planning applications, he was pleased to confirm that major planning applications with a target of 40% were actually achieving a 95% target.

This was an area of 'work in progress' but he was confident that things would improve and asked everyone to support the Council.

## 50 REPORT OF THE PORTFOLIO HOLDER FOR HEALTH

It was proposed by Mrs K Calder, Portfolio Holder for Health, and seconded by Mr T Barker that the report, a copy of which is attached to the signed minutes, be received and agreed.

Mrs Calder presented her report and responded to questions, queries and concerns raised by Members, including Mr M Kenny, Mrs H Fraser, Mrs C Barnes, Mrs V Parry, Mr A Mosley, Mrs C Motley, Mr R Evans and Mr D Roberts.

Mrs Calder also expressed her thanks to the Director of Public Health and the Health Team for their excellent work.

**RESOLVED:** That the contents of the report of the Portfolio Holder for Health be received.

**51 REPORT OF THE PORTFOLIO HOLDER FOR ADULT SERVICES**

It was proposed by Mr L Chapman, Portfolio Holder for Adult Services, and seconded by Mrs M Shingleton that the report, a copy of which is attached to the signed minutes, be received and agreed.

Mr Chapman presented his report and responded to questions, queries and concerns raised by Members, including Mrs M Shingleton and Mrs V Parry.

**RESOLVED:** That the contents of the report of the Portfolio Holder for Adult Services be received.

**52 ANNUAL REPORT OF THE HEALTH AND ADULT SOCIAL CARE SCRUTINY COMMITTEE 2013/14**

It was proposed by Mr G Dakin, and seconded by Mr S Jones that the annual report, a copy of which is attached to the signed minutes, be received and agreed.

Mr Dakin, Chairman of the Health and Adult Social Care Scrutiny Committee introduced and amplified his report and responded to questions, queries and concerns raised by Members, including Mr M Kenny, Mrs C Barnes, Mrs P Moseley, Mr R Evans, Mr J Tandy, Mrs H Kidd, Mr J Overall and Mrs P Dee.

**RESOLVED:** That the contents of the report of the Health and Adult Social Care Scrutiny Committee be received.

**53 REPORT OF THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICE**

It was proposed by Mrs A Hartley, Portfolio Holder for Children's Service, and seconded by Mr N Bardsley that the report, a copy of which is attached to the signed minutes, be received and agreed.

Mrs Hartley presented and amplified her report and responded to the questions queries and concerns raised by members including Mrs V Parry, Mrs H Fraser, Mrs H Kidd and Mr D Roberts.

**RESOLVED:** That the contents of the report of the Portfolio Holder for Children's Service be received and agreed.

**54 ANNUAL REPORT 2013/14 OF THE YOUNG PEOPLE'S SCRUTINY COMMITTEE**

It was proposed by Mrs J Barrow, and seconded by Mrs P Mullock that the annual report, a copy of which is attached to the signed minutes, be received and agreed.

Mrs Barrow presented her report, a copy of which is attached to the signed minutes, and responded to questions, queries and concerns raised by Members, including Mrs V Parry and Mrs H Kidd.

**RESOLVED:** That the contents of the Annual Report of the Young People's Scrutiny Committee be received.

**55 REPORT OF THE PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND SUPPORT**

It was proposed by Mr M Owen, Portfolio Holder for Finance, Resources and Support, and seconded by Mr B Williams that the report, a copy of which is attached to the signed minutes, be received and agreed.

Mr Owen presented and amplified his report and responded to the questions, queries and concerns raised by Members including Mrs V Parry, Mr R Evans and Dr J Jones.

**RESOLVED:** That the contents of the report of the Portfolio Holder for Finance, Resources and Support be received.

**56 REPORT OF THE PORTFOLIO HOLDER FOR LEISURE, LIBRARIES AND CULTURE**

It was proposed by Mr G Butler, Portfolio Holder for Leisure, Libraries and Culture, and seconded by Mr L Winwood that the report, a copy of which is attached to the signed minutes, be received and agreed.

Mr Butler presented and amplified his report and responded to the questions, queries and concerns raised by Members including Mr M Kenny, Mrs V Parry, Mr K Turley, Mrs C Barnes, Mr A Mosley, Mrs T Woodward Mrs H Kidd, Dr J Jones, Mr N Hartin, Mr D Roberts, Mrs H Fraser, Mr R Evans, Mrs A Chebsey and Mrs T Huffer.

**RESOLVED:** That the contents of the report of the Portfolio Holder for Leisure, Libraries and Culture be received.

**57 FINANCIAL STRATEGY 2015/16 TO 2017/18**

It was proposed by Mr K Barrow, Leader, and seconded by Mr B Williams, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

**RESOLVED:**

- a) That it be noted that the financial implications for the Council associated with the planned University would be identified as part of a procurement exercise and

would be brought back to Council for approval before any commitment was made.

- b) That it be noted that the ip&e Business Plan would be considered by Cabinet on 15 October 2014.
- c) That the budget virement required to allow the Director of Public Health in consultation with the Portfolio Holder for Public Health and the Leader of the Council to agree a commissioning contract with ip&e Limited, following the transfer of Help2Change as agreed by Cabinet on 3 September 2014 of £2.605m be agreed.
- d) That the capital budget increases for new external funding of £2.24m in additional Highways Maintenance funding from the Department of Transport for expenditure in 2014/15, an additional £1.5m grant from BDUK for the current Broadband Project and £1.47m from the Development Trust for Supported Living Accommodation in Market Drayton be approved.
- e) That the commencement of further procurement up to the value of £11.38m as part of the national Phase 2 Broadband programme based on a grant offer from BDUK of £11.38m be agreed.

## 58 AUDITED STATEMENT OF ACCOUNTS

It was proposed by Mr B Williams, and seconded by Mr T Barker, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

### **RESOLVED:**

- a) That the 2013/14 Statement of Accounts be approved and duly signed by the Chairman of the Council (in accordance with the requirements of the Accounts and Audit Regulations 2011).
- b) That the Head of Finance, Governance and Assurance be authorised to make any minor adjustments to the Statement of Accounts prior to the 30<sup>th</sup> September 2014.

## 59 ANNUAL TREASURY REPORT 2013/14

It was proposed by Mr K Barrow, and seconded by Mrs A Hartley, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein be received and agreed.

**RESOLVED:** That the position as set out in the report of the Head of Finance, Governance and Assurance be approved.

**60 ADOPTION OF PART II OF THE LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976**

It was proposed by Mr S Charmley, and seconded by Mr K Roberts, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein be received and agreed.

**RESOLVED:** That the provisions of Part II (other than section 45) of the Local Government (Miscellaneous Provisions) Act 1976 relating to hackney carriage and private hire vehicles be applied to the Council's administrative area with effect from 27 October 2014, this being a date not before the expiration of the period of one month beginning with the day the resolution is passed.

**61 UNIVERSITY CENTRE SHREWSBURY - DELIVERY OF STUDENT RESEARCH AND TEACHING SPACE**

It was proposed by Mr K Barrow, and seconded by Mrs A Hartley, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein be received and agreed.

**RESOLVED:**

- a) That Council makes available the use of the following buildings namely, Guildhall, 1 A Castle Gates and Rowley's House, for initial occupation by the University of Chester from 1 January 2015, in order to develop University Centre Shrewsbury and delegates the authority to agree terms to the Chief Executive in consultation with the Leader.
- b) That authority be delegated to the Chief Executive in consultation with the Leader of the Council, to procure and deliver alteration and refurbishment of the Tannery and other buildings to accommodate staff.
- c) That authority be delegated to the Chief Executive, in consultation with the Leader of the Council, to go out to procurement as required for student living accommodation in order to enable delivery of an appropriate number of units by September 2015.

**62 REVIEW OF POLLING DISTRICTS, POLLING STATIONS AND POLLING PLACES 2014**

It was proposed by Mr M Owen, Portfolio Holder for Resources, Finance and Support, and seconded by Mr S West that the report of the Returning Officer, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

Mr T Clarke indicated that, in respect of the Bayston Hill, Column and Sutton Division, Bayston Hill Methodist Church Hall was shown twice as a polling station

and he believed that one of these polling stations should read Bayston Hill Memorial Hall instead.

Mr P Adams queried the number of stations in the venue for Bowbrook Division which was shown as 2 in the report. He thought this should only read as 1. It was agreed that these queries would be checked following the meeting. Subject to the foregoing it was

**RESOLVED:**

- a) That the following changes which have been agreed with Ward Members, in order for them to be implemented on or by 1 December 2014 be approved by Council.
- b) That delegated powers be given to the Returning Officer to find a suitable alternative, in conjunction with local members, should any polling station not be available for a particular election.

DIVISION	PROPOSED CHANGES
LIF Caynham (Knowbury ward)	It is recommended that Knowbury Village Hall replace Caynham Village Hall as the polling station for LIF Caynham (Knowbury Ward).
LOC Ludlow (Corve and Whitcliffe wards)	It is recommended that delegated powers be given to the Returning Officer to agree any polling stations for LOC Ludlow (Corve and Whitcliffe Wards) in conjunction with local members.
NQC Wem Rural (Wem Ward), NQD Wem (part of the East Ward), and NQE (part of East Ward)	It is recommended that polling stations be created for : (a) NQC Wem Rural (Wem Ward) for a single polling station  (b) That NQD Wem (part of East Ward) and NQE (part of East Ward) form a single polling station
SAA Abbey and SAB Abbey	It is recommended that properties on Monkmoor Road, be moved from SAA Abbey - Robertsford Scout & Guide Hut polling station to SAB Abbey - Shropshire Wildlife Trust polling station.



SIA Cophthorne and SIB Cophthorne	It is recommended that a Poll Clerk position be reinstated to assist voters with accessing the parking facility at the polling station.
SMB Meole	It is recommended that a third polling station be created in Radbrook Community Centre to cover properties within SMB division, including Canonvale, Grange Road, Grangefields, Grangefields Road, Longden Road, Priors Drive, Priors Ridge and Roman Road.
SPA Porthill	It is recommended that an additional polling station be created in the Salvation Army Hall, Salters Lane, Belle Vue to cover properties within SPA division, including Londgen Road, Brewery Houses, Old Roman Road, Luciefelde Road, Red Barn Lane, Vane Road, Pengrove, Pengwern Court, and Kingsland Road.
WCP Boscobel and WCQ Donington	<p>(a) It is recommended that no changes are made, and RAF Cosford Hive continue to be used as a polling station for the forthcoming General Parliamentary Election 2015.</p> <p>(b) That RAF Cosford Hive polling station be reviewed following the completion of the identified alternative venue within the Donington area.</p>

### 63 APPOINTMENTS TO COMMITTEE

It was proposed by the Speaker, seconded by the Chairman and

**RESOLVED:** That the following appointments to Committees be confirmed:

Young Peoples Scrutiny Committee

- The appointment of Mr V Hunt as a full Member; and

- The appointment of Mr P Wynn as a substitute Member.

#### South Planning Committee

- The appointment of Mr D Turner as a full Member; and
- The appointment of Mr W Parr as a substitute Member.

## 64 MOTIONS

64.1 The following motion was proposed by Mr M Kenny and seconded by Mrs H Kidd:

“The proposed closure of the Monkmoor Walk in Health Centre is yet another blow to the vulnerable, less well-off and disadvantaged who are bearing the brunt of the austerity measures. The closure is a setback for community leaders, faith groups, local stakeholders, businesses and individuals who have put in so much time to address the social disadvantage in this area and hopes for addressing disadvantage in other areas. The proposed closure is based on economic grounds and not on health grounds. The proposal works against the best interests of Shropshire Council and Shropshire residents and does not help further progress Monkmoor Local Commissioning – Improving Futures.

Therefore Council asks Shropshire CCG:

- To review their plans to close the Walk in Health Centre so that there remains a large element of non-appointment service, extended hours service and a weekend service and
- Consider reviewing all GP provision in Shropshire so that primary care services are more accessible to the disadvantaged and
- To communicate and work more readily with Shropshire Council members, community leaders, other stakeholders and Shropshire residents.”

After debate and on being put to the vote, the motion was lost with a large majority of members voting against.

64.2 The following motion, as amended prior to the meeting, was proposed by Dr J Jones and seconded by Mrs P Moseley:

“While many ordinary people face falling household incomes and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a system that fails to make them pay their fair share. Governments around the world would benefit from a fairer tax system which ensures that multinational companies meet their obligations, thereby enabling the authorities such as Shropshire, to provide quality public services for their people. We call upon the UK government to listen to the strength of public feeling and act to end the injustice of tax dodging by large multinational companies in developing countries and the UK.”

Mr M Bennett proposed an amendment which was seconded by Mr S West, to amend the motion to read as follows:

“While many ordinary Shropshire people face falling household incomes and rising costs of living, due to the complexities of national and international taxation systems, and the efforts Government make to use the tax system to influence both the location for multinational companies and their investment decisions, clarity on tax matters has been lost.

This Council calls upon all political parties to commit to creating a simpler taxation system, which eliminates the complexity of multiple schedules of allowances, and also reduces the rates of tax, to create a comprehensible system using tax rebates which would not be commensurate with complex schemes to reduce liability. Thus the taxation of multinationals would be fair and transparent.

We also call upon Government to reduce and eliminate waste and inefficiency similar to the efforts of local government, so as to maximise funding that would be available for public services, following the disastrous management of the economy by the last labour government.”

On being put to the vote the amendment was carried with a large majority of members voting in favour.

On being put to the vote, the substantive motion was carried with a large majority of Members voting in favour.

64.3 The following motion was proposed by Mr K Barrow and seconded by Mrs H Kidd:

“The poor quality of the EE signal has been a problem across the county for some time and the people of Shropshire deserve a better service.

People from across the whole of the county have been contacting me in support of my letter to Olaf Swantee, chief executive of EE, to express my frustration of hundreds of other Shropshire residents who just want to be able to use their mobile phone.

Mobile phones are now a vital and important part of everyday life for people, especially those in rural areas, who need their phones for business, to contact family and friends, to browse the internet, and more.

It’s therefore hugely important for local people and the local economy that people are able to use their mobiles whenever they want and need to.

I propose that:

- i. The council organises a petition demanding an improved service.
- ii. The council delivers it together with our local MP’s to the Secretary of State for Culture, Media and Sport, Sajid Javid.
- iii. We work with the Shropshire Star to facilitate the online petition.

After debate and on being put to the vote, the motion was carried with a large majority of members voting in favour.

**65 REPORT OF THE SHROPSHIRE AND WREKIN FIRE AND RESCUE AUTHORITY**

It was proposed by Mr S West and seconded by Mr J Hurst-Knight that the report of the Shropshire and Wrekin Fire and Rescue Authority, a copy of which is attached to the signed minutes, be received and noted.

In presenting the report, Mr West highlighted a typing error at the end of the first paragraph which stated 'Annual Meeting in July 2014' which should have read 'Annual Meeting in July 2015', which was noted.

**RESOLVED:** That subject to the foregoing, the Annual report of the Shropshire and Wrekin Fire and Rescue Authority held on 9 July 2014 be noted.

Signed ..... (Chairman)

Date: .....

## MEMBERS' QUESTIONS

### AGENDA ITEM 6

#### QUESTION 1

**MR MILES KENNY** will ask the following question:

It's good that the Government have capped the amount that pay and doorstep lenders may charge for their loans, although the new regulations do not go far enough. It's disappointing that the powers we have as a local authority in preventing pay day and door step lenders from doing business in Shropshire are limited or even non-existent.

Do we have records of pay day and door step lender activity in Shropshire and if so what is this activity?

I am, like many others a member of Just Credit Union but what is Shropshire Council doing in actively promoting Credit Unions in Shropshire as going some way in combatting the rip off pay day and doorstep lending industry?

**MR MIKE OWEN**, the Portfolio Holder for Resources, Finance and Support will reply:

Customer Services Command has been raising the profile of the Credit Unions via each of our Customer Service Points and Community Hubs in a number of ways. Whilst information in the form of leaflets is often available, we have found that a large "showcase" display made up of posters, leaflets, information and a "mission statement" draws more customer interest. Such displays have been travelling around our different sites each month for the last 18 months.

In addition we accommodate drop in sessions for both Just Credit Union and FairShare Credit Union at a number of our Customer Service Points, with the customer take up and interest in Just Credit Union at the Oswestry and Shrewsbury Guildhall being particularly busy.

Credit Unions are also represented at the Welfare Reform Operational Board where we are putting together Shropshire's local support framework for the introduction of Universal Credit in the County from early 2015. We value their involvement given the financial and budgeting issues that the introduction of this benefit is expected to raise, and responsible borrowing and banking are two of the key strands to this framework.

Children's Centre Advisers who work with disadvantaged families will discuss and promote take up of Credit Union Services.

Katherine Forrest (lead officer for credit at the Trading Standards Institute) has commented that the payday market reached its peak in 2009 and has been shrinking for sometime since. The new interest rate cap due to be

implemented in January 2015 is likely to make the cost of regulation unsustainable for most lenders - quite likely, all but three lenders will remain. The links to the FSA press release and a comment piece are below.

<http://www.fca.org.uk/news/fca-proposes-price-cap-for-payday-lenders>  
<http://www.theguardian.com/money/2014/jul/15/payday-loans-cap-questions-answered>

Concerns remain that the regulation does not go far enough and that it could lead to an increase in loan shark activity – so any activity which raises awareness of the whole credit market and payday lending issue is very valuable.

## **QUESTION 2**

**MR MILES KENNY** will ask the following question:

It's good that Shropshire Pension Fund does not invest in payday lenders and doorstep lenders like Wonga, I hope that is more for ethical reasons than financial. Whilst it is understood that Shropshire Pension Fund trustees need to achieve the best returns for its members, it is interesting to note that many pension funds are divesting unethical investments such as tobacco and fossil fuel stocks, indeed as the council has a duty to help cut smoking across Shropshire it is counter-productive to invest in those very same companies that promote death. It is also counter-productive to be investing in fossil fuel companies when the Council is trying to cut carbon emissions across Shropshire. What proportion of the pension fund is invested in tobacco and fossil fuel stocks, in particular those companies involved in fracking?

**MR MIKE OWEN** the Portfolio Holder for Resources, Finance and Support will reply:

Shropshire County Pension Fund does not restrict its investment managers in the companies in which they can invest as this would be contrary to the overriding financial responsibility of the Pensions Committee. However, the Fund remains committed to the important issues of social responsibility and corporate governance. Through actively voting at shareholder meetings and sustained shareholder engagement it is felt the Fund is best able to change behaviour.

The Shropshire Fund employs F&C Asset Management to provide responsible engagement on the Fund's equity portfolios. F&C has done extensive engagement with companies regarding shale gas extraction by hydraulic fracturing, mainly focusing on how companies manage the environment and the social risks of fracking. In 2014, their engagement on shale gas has focussed on collaborating with other investors through a UN Principles for Responsible investment initiative and 36 leading fracking operators were targeted. F&C's engagement with the tobacco industry goes back many years and has focussed on environmental, social & governance issues e.g. responsible marketing – especially to minors.

Shropshire County Pension Fund is also a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF is the UK's leading collaborative shareholder engagement group and brings together 61 local authority pension funds from across the country with combined assets of £150 billion. The role of LAPFF is to protect the long-term investment interests of its member funds' beneficiaries by promoting the highest standards of corporate governance and corporate responsibility amongst the companies in which they invest. This is achieved by undertaking proactive, long-term engagement with the Companies held in their members' investment portfolios. In 2013, LAPFF had board-level meetings with Britain's two publicly-listed tobacco companies. Dialogue included pushing for improvements and advocating for ongoing harm reduction strategies, strict controls on marketing standards, stricter lobbying guidelines, and greater investment in improving supply chain practices. LAPFF has also had a long-term engagement programme around carbon management risk and more recently around fracking, with further engagement imminent.

Current holdings in the specific categories requested are as follows :-  
 Tobacco £ 3.9 million (0.3% of total fund value of £1.43 billion)  
 Fossil Fuels £41.0 million (2.9% of total fund value of £1.43 billion)  
 Fracking £ 2.9 million (0.2% of total fund value of £1.43 billion)

### **QUESTION 3**

**MR STEVE DAVENPORT** will ask the following question:

Could the Portfolio holder provide projected numbers of children and students in Shropshire schools over the period to 2018? What action is the Council taking to ensure the sustainability of high quality education in our schools over this period?

**MRS ANN HARTLEY** the Portfolio Holder for Children's Services will reply:

The table below summarises the projected pupil numbers in Shropshire schools and academies between 2014-15 and 2018-19. These are the projected pupil numbers in Reception through to Year 11 and are the numbers used in the local school funding formula to determine the annual school budget shares.

	2014-15*	2015-16	2016-17	2017-18	2018-19	Variation 2014-15 to 2018-19	
<b>Primary</b>	20,038	19,978	19,795	19,662	19,296	<b>-742</b>	<b>-3.7%</b>
<b>Secondary</b>	14,734	14,472	14,379	14,319	14,354	<b>-380</b>	<b>-2.6%</b>
<b>Total</b>	<b>34,772</b>	<b>34,450</b>	<b>34,174</b>	<b>33,981</b>	<b>33,650</b>	<b>-1,122</b>	<b>-3.2%</b>
<b>Year on Year</b>		<b>-322</b>	<b>-276</b>	<b>-193</b>	<b>-331</b>		

Variation	-0.9%	-0.8%	-0.6%	-1.0%
	Variation 2014-15 to 2018-19			-1,122
				-3.2%

\* 2014-15 figures are Autumn 2014 school census NOR actuals, excluding any housing element

Shropshire Schools Forum established a Task & Finish Group on School Sustainability in autumn 2013 to consider the impact of Government school funding reforms on the existing network of schools in the context of projected falling pupil numbers in the short to medium term and the accepted underfunding of education in Shropshire. Members include primary, secondary and special school head teachers, school governors councillors and Shropshire Council officers.

For the first time, an 'informed dialogue' has developed between the Task and Finish groups and Shropshire Councils ruling administration based on the best available information and knowledge, and this will continue as we work towards a long term solution.

An administration group Task and 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 and finish group.

Key to addressing the challenge is ensuring that data is available and provides useful planning information. A school financial planning tool - covering a four year period - to assist governing bodies in their medium term budget planning using the most up-to-date data projections on pupil numbers and working them through the Council’s latest school funding formula has been developed. It is expected that, armed with this essential information, governing bodies with declining pupil numbers will be better placed and informed to address the challenges facing them in terms of sustaining high quality education provision. We will continue to encourage and support governing bodies to act on this information where appropriate.

Governing bodies are being encouraged to begin, if they aren’t already, collaborating with their neighbouring schools in finding local solutions to develop sustainable provision in their area and to ensure that the resources delegated to them are being used efficiently to achieve the best educational outcomes for their pupils. As well as the financial planning tool, the group has overseen the development of a local benchmarking tool which will enable schools to compare how they are apply their resources and whether there are more efficient ways of doing this that they can learn from other Shropshire schools.

The announcement of additional schools funding in 2015-16 has been welcomed. However, the demographic challenge remains and so the group will continue to meet in the new year with the focus on how to continue supporting governing bodies through, for example, the sharing of models of



best practice on collaborative working and the development of training on financial management.

A joint briefing note on schools sustainability was distributed in September - on behalf of the Schools Forum Task & Finish Group and the Council Administration - to all Shropshire schools, local councillors, parish/town councils and local MPs. This was part of a media campaign that resulted in coverage of the issue at the local, regional and national levels. A copy of the briefing paper is attached.

#### **QUESTION 4**

**MR ALAN MOSLEY** will ask the following question:

Given that there have been further recent and significant staff relocations, could the Portfolio holder please give us details of the current accommodation strategic plans indicating the short, medium and long term objectives and expected outcomes.

This should include The Tannery, The Guildhall, the old Reference Library, The Shirehall and Rowley's House along with other significant properties which the Council owns or is renting or leasing and including properties which are housing IP&E staff. Furthermore, what are the costs of any leasing/rental arrangements per year and what are the total costs of such arrangements over the last 5 years?"

**MR MIKE OWEN** Portfolio Holder for Resources, Finance and Support will reply

The Asset Management Strategy has been prepared and is in draft form to be submitted to Cabinet in February 2015, the strategic plans will be covered in this report.

As covered by other papers on the agenda the Guildhall, Reference Library and Rowley's are to be made available to the University. Options appraisals will be prepared for any surplus accommodation that is identified once the Asset Management Strategy is finalised.

Significant Buildings that the Council have lease arrangements on are:

The Chancery - Lease commenced 01/05/2006 expires 23/06/2016 - £121,312 per annum.

Prospect House - Lease commenced 24/11/2010 expires 23/11/2020 - £29,760 per annum.

Whitehall lease – Lease commenced 05/10/2009 expired 04/10/ 2014 - £138,000 per annum.

Castle View (First and third floor offices) – Lease commenced 28/08/2007 expires 27/08/2032 - £10,575 p.a. payable from 27/08/2017.

Oswestry Library (Second floor) – Lease commenced 28/08/2007 expires 27/08/2032 - £63,760 per annum.

Jupiter House – Lease commenced 01/09/2014 expires 31/08/2024 - £70,000 per annum.

## **QUESTION 5**

**MRS PAM MOSELEY** will ask the following question:

Shrewsbury Museum and Art Gallery in the former Music Hall has been justifiably recognised as a well curated collection offering a successful interpretation of the town's history, in a building which has been carefully and expertly restored.

However, whether the Museum has been as successful financially is of equal interest.

Could the Portfolio Holder please inform Members as to the total number of visits paid to the Museum since opening, and of these, how many were non-paying visits; and also, how many people attended on the free open day. Additionally, since opening, how many tickets in the three categories (adult, senior and child) have been purchased, how many season tickets sold (split into those purchased at both full and introductory discounted rate), and how many group rate and combined tickets have been bought.

Consequently, what has been the total ticket income to date from visitors to the Museum?"

**MR STEVE CHARMLEY** Portfolio Holder for Business Growth, ip&e, Culture and Commissioning (North) will reply:

Total number of visitors to Roman Gallery	62,295 (Estimate)
How Many People have visited the paid for Exhibitions	22,001
Museum FOC Entry Others (companions/Art Passes etc)	813
Number of Paying Education Visits	736
Museum Events	813
How Many People came to the free open day	1,060
How Many Adult Tickets have been sold	7,267
How Many OAP Tickets have been sold	7,852
How Many Children Tickets have been sold	2,241

How Many Season Tickets have been sold (discounted rate)	496
How Many Group Rate Tickets have been sold	388
Number of Combined Tickets sold	164
Museum Themed Events Tickets sold	171
How Many People have paid to visit the Museum in total	18,579
Total Income from Ticketed Visitors to Date	£77,191.50

In a survey 98% of visitors to the Roman Gallery said they would be happy to pay to visit the rest of the Museum but the majority did not have time on the day.

## **QUESTION 6**

**ROGER EVANS** will ask the following question

A written question concerning Serco and a recent press article was submitted some days before the Performance Management Scrutiny Committee meeting held on Wednesday 26 November 2014. The following written answer was circulated at the start of that meeting;

*Shropshire Council has a 10 year contract with Shropshire Community Leisure Trust who operate the 5 facilities on behalf of Shropshire Council. Serco Leisure are the managing agent and in effect provide 'back office support' to the Trust. Following the recent announcement from Serco that they intend to sell their leisure section of the business, officers have met to explore what this could mean. At this stage, it means very little - within the terms of the contract the Trust need to seek our consent to appoint an alternative agent, and to date we have not been notified of any potential alternative managing agent. Officers will be meeting with representatives from Serco in the coming week to receive more up to date information.*

*Until any sale is progressed, Serco Leisure will continue to undertake their duties supporting Shropshire Community Leisure Trust, which will have no bearing on day to day operations, finances to the council or affect the fees and charges and any recommendations made.*

The Cabinet member for this area did not attend any part of this Scrutiny meeting nor send any apology. Nor was any senior officer present when this previously tabled question was dealt with. Consequently no answer was given to the supplementary question and this is still the case one week later. Can the appropriate Cabinet member therefore now supply answer(s) to the question asked and also update Council on the meetings that have been held since November 26<sup>th</sup>.

Given the answer provided, what is the relationship between Shropshire Council, Serco and the Shropshire Community Leisure Trust, who is accountable to who. Is the future role of Shropshire Council in the running of these public facilities now going to be just as a spectator.

**MR STEVE CHARMLEY** Portfolio Holder for Business Growth, ip&e, Culture and Commissioning (North) will reply:

The relationship between Shropshire Council and the Shropshire Community Leisure Trust is that the council is the commissioner and has a legal contract with the trust to operate and manage the five centres on our behalf. Therefore the Trust is accountable to Shropshire Council who monitor all aspects of operations and managerial procedures across the 5 sites that form part of the contract on an on-going basis.

Shropshire Community Leisure Trust then have a contractual relationship with Serco Leisure who provide all of the back office support

Shropshire Council as a good commissioner, maintains a strong relationship with the Trust and Serco Leisure both formally (through regular contract meetings) and informally. All three parties recently met and Serco Leisure were able to provide a confidential update on the proposed sale which is progressing. Shropshire Council cannot divest the detail as this is commercially sensitive and not Shropshire Councils information to share. That said Shropshire Council is reassured that it will continue to be kept in the loop on the proposed sale in the coming weeks.

As has been previously mentioned, the change in ownership will have no impact on the service delivered on the ground; the same quality service would be delivered by the same centre staff and management team. Meanwhile, it is business as usual until the matter is resolved.

The Chair of the Trust has recently commented that any sale will make no difference to the management of the sites. All employees on the sites are employed by the Trust and the existing Serco Leisure management team remain in place which will allows them to continue to provide the high level of service that they have so far.

## **QUESTION 7**

**MR DAVE TREMELLEN** will ask the following question:

Why is Shropshire Council not openly supporting the Shropshire Clinical Commissioning Group in their effort to rationalise health service provision in the county by building the “third site” acute unit on land already in NHS England’s ownership, situated almost exactly between the two existing main hospitals and just a stone’s throw from the A5, support that is wholly justified, given that the current situation at both existing sites falls far short of the basic requirement of ten A&E consultants recommended by the College of

Emergency Medicine, Shropshire having only 5.5 A&E consultants (a figure given by Dr Caron Morton at a recent briefing) across both sites and unable to recruit consultants at the required level when prospective applicants realize that their work load will consist of a duty rota of 1 in 3?

**MRS KAREN CALDER** Portfolio Holder for Health will reply

The Future Fit Review is a clinically led assessment of the provision of acute health treatment services for the County of Shropshire. The local Clinical Commissioning Groups (CCGs) that are leading the review are currently considering a long list of options that have been developed by their working groups. The CCGs are examining this long list of options with a view to creating a short list of options that will be considered in greater detail.

In view of the current stage of the Future Fit it would be more appropriate for Shropshire Council to reserve its opinion regarding the short listed options that will emerge. Shropshire Council will continue to contribute information about the needs of our local communities and to participate in the Future Fit Working Groups.

#### **QUESTION 8**

**MR DAVE TREMELLEN** will ask the following question:

Would the Portfolio Holder for Housing consider the recent decision by Brandon Lewis MP to exempt developments of under ten houses from liability to the affordable housing levy a triumph for the construction industry or a disaster for cash-strapped councils?

**MR MALCOLM PRICE** Portfolio Holder for Strategic Planning, Planning, Housing and Commissioning (Central) will reply

It is difficult to confirm at this stage the full impact of the proposals set out in the Ministerial Statement of 28<sup>th</sup> November, this is being assessed by officers. Shropshire Council's approach has been a transparent one, providing clarity for Affordable Housing Contributions and infrastructure requirements through the adopted Type and Affordability of Housing Supplementary Planning Document and the Community Infrastructure Levy (CIL). Both of these initiatives were introduced having regard to economic viability resulting in three rates across the county for affordable housing, and an approach to limit CIL to residential development only. In this respect the context in Shropshire has been transparent and I would argue that these regimes do not restrict housing growth, they simply provide clarity around land values.

#### **QUESTION 9**

**MRS CHARLOTTE BARNES** will ask the following question:

On 28 November 2014, the Secretary of State for Communities Eric Pickles published new planning guidance for affordable housing contributions from market housing. This removed the need for a S106 affordable housing contribution from housing developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1000sqm(NPPG 23b-012-20141128).

This measure will have a devastating effect on affordable housing provision across our county. We are already building less affordable houses than we need. In September 2014, 5,286 households were on the housing register for affordable housing in Shropshire.

In my rural division of Bishop's Castle, there have been 10 applications for 31 market houses in the last 12 months. All have been for ten units or less. Not all of the ten applications were or will be approved. But if they were all approved, they would fund six affordable houses. Under the new rules, this modest 20% contribution to affordable housing will be removed. Not just in Bishop's Castle, but across our rural county.

The new planning guidance allows for local councils to impose a lower contribution threshold of five units in designated rural parishes. For developments of 6 to 10 units, a financial contribution can be sought, but a council cannot insist on affordable housing on the site (NPPG 2a-017-20141128).

If this measure had been in place in Bishop's Castle division during the past twelve months, we would have funded four affordable homes if the larger applications had been approved.

In Shropshire, all parishes are designated as rural with the exception of Albrighton, Bayston Hill, Bridgnorth, Broseley, Ellesmere Urban, Highley, Ludlow, Market Drayton, Oswestry, Shifnal, Shrewsbury, Wem and Whitchurch parishes.

Will the Portfolio Holder for Planning and Housing take urgent action to apply the lower threshold to all designated rural parishes in Shropshire?

**MR MALCOLM PRICE** Portfolio Holder for Strategic Planning, Planning, Housing and Commissioning (Central) will reply

I have asked officers to assess the potential impact of the Ministerial Statement having regard to our adopted policy for the provision of affordable housing. In the meantime, we recognise that there is currently a significant increase in major planning applications for housing across the county, these are the schemes that provide 10 houses or more and would not therefore be affected by the minister's statement. It is important therefore that the Council continues to support these schemes *where* they are sustainable and acceptable in planning terms, particularly in established urban areas such as our market towns, to ensure that on site provision and affordable housing contributions continue to be delivered across Shropshire.

## **QUESTION 10**

**MRS VIVIENNE PARRY** will ask the following question:

A recent report by Leonard Cheshire Disability found that many disabled people cannot find housing that suits their accessibility needs (<http://bit.ly/lcheshome>).

- a) Does Shropshire Council have an accessible housing register or similar system?
- b) Does Shropshire Council have any data on the number of homes in the county built to Lifetime Home Standards?
- c) What plans does Shropshire Council have in place to encourage housing to be built to Lifetime Home Standards?

**MR MALCOLM PRICE** Portfolio Holder for Strategic Planning, Planning, Housing and Commissioning (Central) will reply as follows;

- a) The Housing Register includes data in relation to the individual's specific housing need. Such documented needs include:- requirement for level access together with specific adaptations for the registered household.
- b) Currently the Council does not monitor or retain a database of dwellings built to Lifetime Home Standards but is considering this as part of the Local Plan Monitoring Framework being developed alongside the SAMDev Plan. However, the HCA (Homes Communities Agency) require grant funded affordable housing to be built to Lifetime Home Standards. The following figures relate to dwellings funded by the HCA:-

2010/2011 – 151 units

2011/2012 – 127 units

2012/2013 – 126 units

2013/2014 – 90 units.

- c) Core Strategy Policy CS11 seeks to ensure that all housing developments are designed to achieve the lifetime homes standard whilst the Council are currently responding to the Government's Housing Standards Review Consultation. This document outlines optional standards that can be adopted by the Council. The Council is keen to implement standards in the future if feasible in recognition of the ageing population within the County.

## **QUESTION 11**

**MR ANDY BODDINGTON** will ask the following question:

Shropshire Council's Homelessness Strategy is due for review in 2015.

- a) What is the timetable for that review and what will be its scope / terms of reference?
- b) How many people were rough sleepers in Shropshire in the years 2010 to 2014?
- c) How is the number of rough sleepers calculated (counted, estimated)?
- d) What arrangements are currently in place for providing shelter in severe weather emergencies for rough sleepers?
- e) How many people were classified as statutory homeless in Shropshire in the years 2010 to 2014?
- f) How many cases of homelessness prevention or relief did Shropshire Council action, outside the statutory homelessness framework, in the years 2010 to 2014?

**MR MALCOLM PRICE** Portfolio Holder for Strategic Planning, Planning, Housing and Commissioning (Central) will reply

- a) The timetable for the Review has still to be confirmed, however the draft structure is as follows:
  1. January – February 2015: Stakeholder consultation to evaluate existing Homelessness Strategy and scope review / agree terms of reference
  2. March – June 2015: Formal discussions with stakeholders to inform Homelessness Strategy
  3. June – September 2015: Draft Homelessness Strategy
  4. September 2015: Draft Homelessness Strategy to Cabinet for approval to consult
  5. September – December 2015: Consultation period
  6. December 2015 – January 2016: incorporation of feedback from consultation. Final draft prepared.
  7. February/March 2016: Homelessness Strategy to Council for adoption

Timetable for review is yet to be confirmed. The review will need to have regard to the latest Homelessness Strategy Action Plan and the wider Shropshire Housing Strategy.

- b) Rough sleepers in Shropshire in the years 2010 to 2014;  
2010 – 10  
2011 – 13



2012 – 10

2013 – 12

2014 – 10

- c) How is the number of rough sleepers calculated (counted, estimated)?
- Estimate night once each year involving partner agencies (both statutory and non-statutory), e.g. Police, Brighter Futures

- d) Current arrangements in place for providing shelter in severe weather emergencies for rough sleepers;

Emergency accommodation is to be provided in the event of outside temperature is forecast by UK Met Office to drop below zero degrees celsius in Shropshire over three consecutive nights. Additional to this Shropshire Council provide temporary accommodation to anyone whom is known to be rough sleeping within Shropshire from 15<sup>th</sup> December until end of February the following year (this may be extended in the event of continuing severe weather conditions e.g. as in 2013).

- e) Numbers of people who were classified as statutory homeless in Shropshire in the years 2010 to 2014;

2009/10 - 239

2010/11 - 309

2011/12 - 276

2012/13 - 239

2013/14 – 200.

- f) Cases of homelessness prevention or relief that Shropshire Council actioned, outside the statutory homelessness framework, in the years 2010 to 2014?

2009/10 - 538

2010/11 - 784

2011/12 - 919

2012/13 - 1027

2013/14 - 1026

## **QUESTION 12**

**MR ANDY BODDINGTON** will ask the following question:

In the last four years, the proportion of long-term empty homes in Shropshire has gone up by more than 5%. Nationally, the number has dropped by 28%. Only 23 of 325 local authorities have a worse performance in bringing

empty homes into use than Shropshire. At the current rate, it will take seventy years to clear the backlog of long-term empty homes in Shropshire.

My questions are:

- a) What is the current number of long term empty homes in Shropshire?
- b) How many long term empty homes have been brought back into occupation in Shropshire, for the years 2010/2011 to 2013/2014?
- c) How much funding did Shropshire Council receive through the New Homes Bonus for bringing these homes back into use?
- d) What was this funding used for?
- e) How many households are on the housing register for affordable housing in Shropshire?

**MR MALCOLM PRICE** Portfolio Holder for Strategic Planning, Planning, Housing and Commissioning (Central) will reply

- a) As at November 2014 there were 1,549 'Long Term Empty' homes registered in Shropshire. The definition of Long Term Empty being that the property has been unoccupied for 6 months or longer.

- b) Long term empty homes returned to use are as follows:

2009/10 – 26  
2010/11 – 65  
2011/12 – 94  
2012/13 – 74  
2013/14 – 45

In addition, 13 new units of affordable housing have been created in Market Drayton and Oswestry from previously redundant commercial and residential properties as a result of the project work undertaken in the Empty Homes Action Zones. There are other projects currently on site and at the application stage which will return to use and create further affordable units.

- c) Total funding received through New Homes Bonus for bringing empty homes back into use is as follows:

2012/13 - £300,000  
2013/14 - £200,000  
2014/15 - £250,000 agreed in principle but awaiting formal confirmation of funding from Cabinet  
2015/16 - £250,000 agreed in principle but awaiting formal confirmation of funding from Cabinet

- d) The funding was used for Empty Property Incentive Grants in the following Empty Homes Action Zones:  
2012/13 - Market Drayton (including joint project with Wrekin Housing Trust)  
2013/14 - Oswestry

2014/15 Whitchurch (awaiting formal confirmation of funding although preparation work has been underway in Whitchurch for several months in order to identify potential grant cases)

These were offered for empty residential property, unused space above retail premises and on ex-commercial buildings being converted into affordable homes for local people.

- e) As at December 2014 there are 6179 households on the housing register. Shropshire Council recognises the impact of long term empty homes and is committed to reducing the number of empty homes within the County in order to both contribute to the regeneration of Shropshire's communities, and to facilitate and assist in the creation of good quality and affordable housing for local people. The Council's Empty Homes Strategy 2014-17 was adopted on 10<sup>th</sup> November 2014 and re-affirms this commitment, illustrating the Council's proactive approach to tackling this key issue. Additionally, the Council now produces an empty homes newsletter which promotes Empty Homes work and provides updates on empty homes activity and useful contacts.

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## 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](mailto:phil.wilson@shropshire.gov.uk) . Your feedback is welcome and appreciated.



<u>Committee and Date</u>	<u>Item</u>
Cabinet 10 December 2014	<b>7</b>
Council 18 December 2014	
	<u>Public</u>

## SETTING THE COUNCIL TAX TAXBASE FOR 2015/16

**Responsible Officer** James Walton

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Tel:(01743)255011

### 1. Summary

- 1.1. In order to determine the appropriate Council Tax levels for Shropshire Council, it is necessary to determine the Council Tax taxbase for the area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D Council Tax.
- 1.2. For 2015/16 the Council Tax taxbase will be 102,411.33 Band D equivalents, this is an increase of 1.93% from 2014/15.
- 1.3. The Council Tax taxbase has a direct impact on the Council Tax that will be levied by the Council for 2015/16.

### 2. Recommendations

Members are asked:

- 2.1 To approve, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2015/16, as detailed in Appendix A, totalling 102,411.33 Band D equivalents.
- 2.2 To note that there will be some minor changes to the Council's localised Council Tax Support (CTS) scheme in 2015/16 to reflect minor legislative changes. The scheme is attached at Appendix B with the proposed changes detailed on page 5.
- 2.3 To note the exclusion of 11,601.95 Band D equivalents from the taxbase as a result of localised Council Tax Support.

- 2.4 To note continuation of the discretionary Council Tax discount policy of 0% in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection) and note the inclusion of 649.83 Band D equivalents in the Council Tax taxbase as a result of this discount policy.
- 2.5 To note continuation of the discretionary Council Tax discount policy of 50% for up to 12 months in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties, and the resulting exclusion of 109.33 Band D equivalents from the Council Tax taxbase.
- 2.6 To note continuation of the discretionary Council Tax discount policy in respect of vacant dwellings, i.e. former Class C exempt properties, of 100% for one month, i.e. effectively reinstating the exemption, and then a 25% discount for the remaining five months and the resulting exclusion of 266.39 Band D equivalents from the Council Tax taxbase.
- 2.7 To note continuation of the “six week rule” in respect of vacant dwellings, i.e. former Class C exempt properties.
- 2.8 To note continuation of the discretionary Council Tax discount policy of 0% in respect of long-term empty properties.
- 2.9 To note continuation of the discretionary power to levy a Council Tax premium of 50% in relation to dwellings which have been empty for more than two years and the resulting inclusion of 209.56 Band D equivalents in the Council Tax taxbase.
- 2.10 To approve a collection rate for the year 2015/16 of 98%.

## REPORT

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 Expression of Council Tax Support in terms of Band D equivalents results in a higher potential for inaccuracies in the determination process as Council Tax Support is a significantly more volatile discount element.
- 3.2 Details of the potential risk in relation to establishing a collection rate allowance is detailed within this report in Section 9.

### **4. Financial Implications**

- 4.1 The Council Tax taxbase figure impacts on the Council Tax that will be levied by the Council for 2015/16.
- 4.2 The implication of the Council’s localised Council Tax Support scheme are detailed in Section 6.



- 4.3 The implications of maintaining the discount in respect of second homes at 0% are detailed in Section 7.1.
- 4.4 The implications of maintaining the discount in respect of vacant dwellings undergoing major repair at 50% are detailed in Section 7.2
- 4.5 The implications of maintaining the discount in respect of vacant dwellings are also detailed in Section 7.2.
- 4.6 The implications of maintaining the discount in relation to long-term empty properties to 0% are detailed in Section 7.3.
- 4.7 The implications of maintaining a 50% premium in respect of properties which have been empty for more than two years are detailed in Section 7.4.
- 4.8 The implications regarding the determined collection rate are detailed in Section 9.

## **5. Background**

- 5.1 Shropshire Council has responsibility for determining the Council Tax taxbase for the Council's geographical area.
- 5.2 The taxbase for Council Tax must be set between 1 December 2014 and 31 January 2015 in relation to 2015/16, as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 5.3 The Council is also required to inform the major precepting authorities, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, of the taxbase in order to enable the calculation of Council Tax for the following year. Each town and parish council is also notified of its own Council Tax taxbase.
- 5.4 The purpose of this report, therefore, is to determine and approve the Council Tax taxbase for Shropshire Council for 2015/16.

## **6. Council Tax Support**

- 6.1 The 2010 Spending Review announced the localisation of council tax support and The Welfare Reform Act 2012 abolished Council Tax Benefit from 31 March 2013 and required that Local Government created a localised Council Tax Support (CTS) scheme effective from 1 April 2013, accommodating a reduction in funding of 10%. Shropshire Council's localised CTS scheme was approved in October 2012 and there will be some minor changes to the scheme for 2015/16 to reflect minor legislative changes. The revised scheme is attached at Appendix B with the proposed amendments detailed on page 5.

- 6.2 From 2013, therefore, council tax support has taken the form of reductions within the council tax system, replacing national council tax benefit. Making reductions part of the council tax system reduces a billing authority's Council Tax taxbase. Billing and major precepting authorities receive funding (Council Tax Support Grant) which reduce their council tax requirement and, depending on the design of the local council tax scheme, can help offset the council tax revenue foregone through reductions.
- 6.3 An estimate of the effect of the local Council Tax Support Scheme on the Council Tax taxbase has been determined for Shropshire. It is estimated that the Council Tax Support Scheme will reduce the Council Tax taxbase by 11,601.95 Band D equivalents.
- 6.4 As Council Tax Support entitlement will vary throughout the year and this will affect the taxbase it is more likely that the amount of Council Tax collected in 2015/16 will vary from the estimate.

## **7. Discretionary Discount Policies**

### **7.1 *Second Homes***

- 7.1.1 Second homes are defined as furnished properties which are not occupied as a person's main residence and include furnished properties that are unoccupied between tenancies.
- 7.1.2 The Local Government Act 2003 gave councils new discretionary powers to reduce the 50% Council Tax discount previously awarded in respect of second homes to between 10% and 50% with effect from 1<sup>st</sup> April 2004. Councils retain the additional income raised by reducing the second homes Council Tax discount.
- 7.1.3 The Local Government Act 2012 further extended billing authorities' discretion over the second homes discount to between 0% and 50%. On 17 October 2012 Cabinet approved the reduction of the second homes Council Tax discount from 10% to 0%.
- 7.1.4 The figures used for the 2015/16 Council Tax taxbase incorporate a 0% Council Tax discount in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection). Implementation of this policy results in the inclusion of 649.83 Band D equivalents in the taxbase.

### ***Vacant Properties***

### **7.2 *Former Class A & Class C Exempt Properties***

- 7.3.2 The Local Government Act 2012 abolished both Class A and Class C exemptions and gave billing authorities' discretion to give discounts of between 0% and 100%. Class A exemptions were previously available for up to 12 months in respect of a vacant property which required, was undergoing,

or had recently undergone major repair work to render it habitable, or structural alteration. Class C exemptions were previously available for up to six months after a dwelling became vacant.

- 7.2.2 On 17 October 2012 Cabinet approved the award of a 50% Council Tax discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties.
- 7.2.3 In respect of former Class A exempt properties the figures used for the 2015/16 Council Tax taxbase allow for the continuation of the decision previously approved by Council, i.e. to award a 50% discount for up to 12 months. Continuation of this policy results in the exclusion of 109.33 Band D equivalents from the taxbase.
- 7.2.4 On 17 October 2012 Cabinet also approved the award of a 25% Council Tax discount in respect of vacant dwellings, i.e. former Class C exempt properties.
- 7.2.5 Implementation of this policy resulted in a large number of low value Council Tax demands being raised primarily in relation to landlords whose properties are between tenants. A significant number of landlord complaints were received in relation to these Council Tax demands and these small amounts proved to be very difficult to collect. It was, therefore, proposed and approved that a 100% discount be awarded for one month, i.e. effectively reinstating the exemption, and then a 25% discount be awarded for the remaining five months.
- 7.2.6 In order to avoid fraudulent 100% claims in respect of these types of properties it was also proposed and approved that the "six week rule" be applied, i.e. if a dwelling which is unoccupied and unfurnished is either exempt or entitled to a discount, becomes occupied or substantially furnished for a period of less than six weeks, after which it falls empty again, it will only resume exemption or discount for any of the original exemption or discount period which remains.
- 7.2.7 In respect of former Class C exempt properties the figures used for the 2015/16 Council Tax taxbase incorporate a discount of 100% for one month and a 25% discount for the remaining five months. Continuation of this policy results in the exclusion of 274.22 Band D equivalents from the taxbase.

### 7.3 ***Long-Term Empty Properties***

- 7.3.1 A property is classed as long-term empty if it has been empty and unfurnished for more than six months and does not qualify for an exemption.
- 7.3.2 The Local Government Act 2003 gave Councils new discretionary powers to reduce or remove the 50% Council Tax discount previously awarded in respect of long-term empty properties with effect from 1<sup>st</sup> April 2004.
- 7.3.3 The Council's current discretionary policy in respect of long-term empty properties is to not award any discount. The objective of this policy is to encourage owners to either sell or rent out homes that have been empty for

more than six months and, therefore, encourage these properties back into the housing market, increasing the range of affordable housing available to Shropshire residents.

#### 7.4 **Empty Homes Premium**

7.4.1 The Local Government Act 2012 also gave billing authorities' discretion to levy an empty homes premium of 50% after a dwelling has been empty and unfurnished for at least two years. In December 2013 Shropshire Council chose to enact this discretionary power with effect from April 2014.

7.4.2 The figures used for the 2015/16 Council Tax taxbase incorporate a 50% Council Tax premium in respect of dwellings which have been empty for more than two years. Implementation of this policy results in the inclusion of 209.56 Band D equivalents in the taxbase.

### 8. **Taxbase Calculation**

8.1 Based on the valuation list, the Council Tax taxbase is the number of properties in the area falling within each council tax property valuation band, modified to take account of the adjustments set out below. Taxbase is expressed as a Band D equivalent.

8.2 An analysis of Council Tax bands within Shropshire Council is detailed below:

Property Band	House Value	Ratio to Band D	Analysis of Dwellings on the Valuation List (%) (as at 8 <sup>th</sup> September 2014)	% Increase / (Decrease) over 2013/14
A	Under £40,000	6/9	19.0	0.9
B	40,001 - 52,000	7/9	25.8	0.7
C	52,001 - 68,000	8/9	20.8	0.6
D	68,001 - 88,000	9/9	14.4	0.7
E	88,001 - 120,000	11/9	10.8	1.1
F	120,001 - 160,000	13/9	5.8	1.4
G	160,001 - 320,000	15/9	3.2	0.8
H	Over 320,000	18/9	0.2	0.6

8.3 There are 136,518 properties in the valuation list for the Shropshire Council area. This compares with a figure of 135,649 in the list at the same time last year. There has been an increase of 869 properties overall, which equates to 0.64% and the number of properties in all property bands has increased.

8.4 The methodology followed for calculating the taxbase is as follows:

- Ascertain the number of properties in each Council Tax band (A to H) shown in the valuation list as at 8 September 2014.

- Adjust for estimated changes in the number of properties through new build, demolitions and exemptions.
- The number of discounts and disabled relief allowances which apply as at 6 October 2014.
- Convert the number of properties in each Council Tax band to Band D equivalents by using the ratio of each band to Band D and so arrive at the total number of Band D equivalents for the Council.
- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year

These calculations are undertaken for each property band in each parish.

## **9. Collection Rate**

- 9.1 In determining the taxbase, an allowance has to be made to provide for changes to the taxbase during the year (e.g. due to new properties, appeals against banding, additional discounts, Council Tax Support award changes, etc.) as well as losses on collection arising from non-payment. This is achieved by estimating a Council Tax collection rate for the year and must be common for the whole of Shropshire.
- 9.2 A collection rate of 97.5% was assumed for the 2013/14 financial year and it is recommended that a collection rate of 98.0% should be assumed for the purpose of determining the Council Tax taxbase in 2015/16.
- 9.3 Actual in year collection rates in 2012/13 and 2013/14 were 98.3% and 98.1% respectively. Furthermore, the collection rate for 2014/15 is currently projected to outturn at around 98%. It therefore appears that the anticipated higher potential for inaccuracy introduced into the Council Tax taxbase determination process as a result of the requirement to express the local Council Tax Support scheme in terms of a reduction in the taxbase has not actually resulted in a lower collection rate. This may be because the discount element associated with Council Tax Support has not actually been as volatile as anticipated or because the already excellent collection rates achieved by the Revenues Team have improved even further and so compensated for the effect of Council Tax Support. Revision of the collection rate from 97.5% utilised in 2014/15 to 98.0% is, therefore, being recommended.
- 9.4 If the actual rate exceeds 98.0% a surplus is generated, which is shared between the Unitary Council, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely, any shortfall in the collection rate results in a deficit, which is shared in a similar manner. The surplus or deficit is taken into account in setting the Council Tax in the following year.

## **10. Council Tax Base**

- 10.1 The estimated Council Tax taxbase for the whole of the area will be used by this Council to calculate its Council Tax Levy. It will also be used by West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority to calculate the levy in respect of their precepts.
- 10.2 The Council Tax taxbase for this purpose in 2015/16 is 102,411.33 Band D equivalents, an increase of 1.93% from 2014/15. The detailed build of this figure analysed by both parish and town council and Environment Agency region is shown in Appendix A.

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

N/A

**Cabinet Member (Portfolio Holder)**

Keith Barrow, Leader of the Council.

**Local Member**

N/A

**Appendices**

Appendix A: 2015/16 Parish and Town Council Tax Taxbase Summary for Shropshire Council.

Appendix B: Shropshire Council's Revised Localised Council Tax Support Scheme

2015/16 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Abdon & Heath	104.01
Acton Burnell, Frodesley, Pitchford, Ruckley & Langley	234.08
Acton Scott	34.74
Adderley	168.37
Alberbury with Cardeston	360.37
Albrighton	1,445.85
All Stretton, Smethcott & Woolstaston	165.42
Alveley & Romsley	806.53
Ashford Bowdler	33.65
Ashford Carbonel	179.51
Astley	190.09
Astley Abbotts	233.87
Aston Bottrell, Burwarton & Cleobury North	111.76
Atcham	120.79
Badger	54.06
Barrow	261.63
Baschurch	911.35
Bayston Hill	1,708.06
Beckbury	146.16
Bedstone & Bucknell	300.49
Berrington	328.61
Bettws-Y-Crwyn	81.21
Bicton	355.01
Billingsley, Deuxhill, Glazeley & Middleton Scriven	152.92
Bishops Castle Town	614.60
Bitterley	329.41
Bomere Heath & District	762.99
Bonningale	137.05
Boraston	75.78
Bridgnorth Town	4,368.65
Bromfield	115.11
Broseley Town	1,353.11
Buildwas	92.98
Burford	426.89
Cardington	198.65
Caynham	483.81
Chelmarsh	216.20
Cheswardine	370.31
Chetton	155.69
Childs Ercall	276.22
Chirbury with Brompton	328.29
Church Preen, Hughley & Kenley	116.92
Church Pulverbatch	158.83
Church Stretton & Little Stretton Town	2,086.82
Claverley	815.14
Clee St. Margaret	67.16
Cleobury Mortimer	1,094.03
Clive	229.47
Clun & Chapel Lawn	483.60
Clunbury	242.78

2015/16 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Clungunford	140.71
Cockshutt-cum-Petton	278.69
Condover	783.68
Coreley	130.14
Cound	199.56
Craven Arms Town	741.53
Cressage, Harley & Sheinton	392.46
Culmington	168.22
Diddlebury	253.58
Ditton Priors	317.21
Donington & Boscobel	576.81
Eardington	230.32
Easthope, Shipton & Stanton Long	192.43
Eaton-Under-Heywood & Hope Bowdler	178.58
Edgton	46.04
Ellesmere Rural	852.84
Ellesmere Town	1,310.32
Farlow	178.15
Ford	285.48
Great Hanwood	354.33
Great Ness & Little Ness	411.24
Greete	49.14
Grinshill	108.91
Hadnall	272.54
Highley	962.18
Hinstock	421.73
Hodnet	537.68
Hope Bagot	28.30
Hopesay	229.94
Hopton Cangeford & Stoke St. Milborough	155.82
Hopton Castle	39.56
Hopton Wafers	268.58
Hordley	97.16
Ightfield & Calverhall	181.52
Kemberton	115.95
Kinlet	387.99
Kinnerley	455.43
Knockin	109.38
Leebotwood & Longnor	191.18
Leighton & Eaton Constantine	199.04
Llanfairwaterdine	99.97
Llanyblodwel	257.50
Llanymynech & Pant	638.09
Longden	491.51
Loppington	256.16
Ludford	239.94
Ludlow Town	3,286.21
Lydbury North	212.99
Lydham & More	117.94
Mainstone & Colebatch	82.50



2015/16 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Market Drayton Town	3,559.80
Melverley	53.06
Milson & Neen Sollars	119.61
Minsterley	514.49
Montford	220.19
Moreton Corbett & Lee Brockhurst	120.76
Moreton Saye	191.54
Morville, Acton Round, Aston Eyre, Monkhopton & Upton Cressett	346.45
Much Wenlock Town	1,162.76
Munslow	169.34
Myddle & Broughton	573.06
Myndtown, Norbury, Ratlinghope & Wentnor	248.05
Nash	130.27
Neen Savage	145.90
Neenton	63.26
Newcastle	127.67
Norton-In-Hales	258.93
Onibury	127.18
Oswestry Rural	1,467.98
Oswestry Town	4,857.42
Pontesbury	1,149.69
Prees	1,000.22
Quatt Malvern	85.53
Richards Castle	132.75
Rushbury	262.87
Ruyton-XI-Towns	436.12
Ryton & Grindle	78.00
Selattyn & Gobowen	1,112.81
Shawbury	810.05
Sheriffhales	308.62
Shifnal Town	2,353.08
Shrewsbury Town	22,057.69
Sibdon Carwood	34.50
St. Martins	794.19
Stanton Lacy	158.67
Stanton-Upon-Hine Heath	218.96
Stockton	125.04
Stoke-Upon-Tern	441.20
Stottesdon & Sidbury	309.42
Stowe	48.50
Sutton Maddock	102.39
Sutton-Upon-Tern	397.13
Tasley	395.00
Tong	115.00
Uffington	97.97
Upton Magna	134.82
Welshampton & Lyneal	347.64
Wem Rural	639.71
Wem Town	1,807.37
West Felton	501.60

<b>2015/16 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council</b>		<b>APPENDIX A</b>
<b>Parish / Town Council</b>		<b>Council Tax Taxbase (Band D Equivalents)</b>
Westbury		516.40
Weston Rhyn		784.39
Weston-Under-Redcastle		120.18
Wheathill		71.62
Whitchurch Rural		549.15
Whitchurch Town		2,912.10
Whittington		793.35
Whitton		53.56
Whixall		316.93
Wistanstow		328.94
Withington		102.72
Woore		556.81
Worfield & Rudge		867.73
Worthen with Shelve		760.00
Wroxeter & Uppington		157.00
<b>Shropshire Council Total</b>		<b>102,411.33</b>
Environment Agency - Severn Trent Region		96,319.85
Environment Agency - Welsh Region		3,856.44
Environment Agency - North West Region		2,235.04
<b>Shropshire Council Total</b>		<b>102,411.33</b>

## SHROPSHIRE COUNCIL – BENEFITS SERVICE

### COUNCIL TAX SUPPORT (CTS)

#### Introduction

**The following paragraphs detail the Council’s existing Council Tax Support Scheme introduced from 1 April 2013 and a summary of amendments required from 1 April 2015 to reflect legislative changes.**

From April 2013 a new scheme called ‘Council Tax Support’ replaced the Council Tax Benefit Scheme. The funding that is provided for this scheme was reduced by 10% from that previous allocated for Council Tax Benefit.

Under the new scheme all the government required that all pensioners receive the same amount of benefit they did under the previous Council Tax Benefit Scheme.

Each local authority introduced its own Council Tax Support scheme depending on local needs, funding available and how it can be administered.

Shropshire Council’s new scheme was devised and published on the Shropshire Council website for customers, stakeholders and other agencies to comment on. Public consultation closed on the 14<sup>th</sup> December 2013 and the new scheme was formally adopted by the Council on 16<sup>th</sup> January 2013.

Anyone of working age was subject to the new scheme from April 2013. The differences t in the new Council Tax Support Scheme are: -

- Removal of second adult rebate
- Reduction of the capital limit from £16,000 to £10,0000
- Removal of earnings disregards
- Removal of child benefit disregard
- Increase in non-dependant deductions

*Please note the following amendments are for the calculation of Council Tax Support only and do not affect Housing Benefit calculations. **Removal of Second Adult Rebate***

Second Adult Rebate (2AR) is awarded to a customer based on the circumstances of a second adult living in the property. Under the new scheme this has been abolished and is no longer be effective from 01.04.13.

Pensioner claims are also be affected by this change as the 2AR is granted on the circumstances of the second adult not themselves. Better buy calculations are no longer be applicable from 01.04.13.

### **Reduction of the capital limit**

For working age people the capital limit reduced to £10,000 from 01.04.13. This will mean that if a customer's savings amounts to more than £10,000 they will not be entitled to CTS. The lower capital limit of £6,000 remains the same.

Tariff income calculations remain as is i.e. from the total amount if capital £6,000 is deducted, the remainder is then dived by 250 if the result is not an exact multiple of £1 the result is rounded up to the next whole £1

All other capital rules including static savings, land and property, shares, etc remain the same.

### **Removal of Earnings disregards**

All income disregards for working age people ceased from the 01.04.13.

### **Removal of Child Benefit disregards**

Child benefit is no longer disregarded from the calculation of CTS from the 01.04.03.

### **Increase in non-dependant earned income deductions (working age only)**

From 01.04.13 non dep deductions increased to the following: -

£5 for anyone earning under £100,  
 £10 for anyone earning between £100 and £150  
 £20 for anyone earning over £150 per week

This deduction is only made from their earned income. It doesn't affect any other income they receive.

### **Non-dependant earned income deductions (pension age only)**

Gross income less than £186.00	=	£3.65
Gross income £186.00 to £321.99	=	£7.25
Gross income £322.00 to £400.99	=	£9.15
Gross income £401.00 or above	=	£10.95

### **Unearned income attracts the following disregards (working age and pension age):**

Others aged 18 or over incl. JSAC & ESAC	=	£3.65
In receipt of Pension Credit, IS, JSA(IB), ESA(IR)	=	nil

**(If nil income is added to the claim for the non-dep it appears to take the maximum deduction).**

## SUMMARY OF CHANGES FROM 01.04.13

Current Council Tax Benefit Scheme (CTB)	Council Tax Support (CTS)
<b>Second Adult Rebate</b> - Awarded to the customer based on the circumstances of 'second adult'. Can be awarded due to a 'better buy' comparison	No award due for second person. On 'better buy' calculation customer will only be awarded any CTS due.
<b>Reduction of the capital limit</b> - Upper capital limit of £16,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit	Upper capital limit of £10,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit
<b>Removal of earnings disregards –</b> Permitted work - £97.50 Lone parents - £25.00 Disabled, carers or special occupations - £20.00 Couples - £10 Single £5	Permitted work - £0 Lone parents - £0 Disabled, carers or special occupations - £0 Couples - £0 Single £0
<b>Removal of Child Benefit disregard –</b> Child Benefit is fully disregarded for the calculation of CTB	Child benefit is fully included for the calculation of CTS
<b>Increase in non-dependant deductions (using current figures)</b> On pass ported benefit - £0.00 On JSA C/ESAC - £3.30 Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30 Income more than £394.00 per week – £9.90 £316.00 to £393.99 per week – £8.25 £238.00 to £315.99 per week - £6.55 £183.00 to £237.00 per week - £3.30 £124.00 to £182.99 per week – £3.30 Under £124.00 – £3.30	On pass ported benefit - £0.00 On JSA C/ESAC - £3.30 Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30 Earnings less than £100 - £5.00 Earnings between £100 and £150 - £10.00 Earnings above £150 - £20.00

## APPEALS

There are no joint HB/CTR appeals – they are heard separately by different bodies. First Tier Tribunals hear the Housing Benefit appeals and the Valuation Tribunals Service hear Council Tax Support appeals.

The legislation is contained within the Local Government Finance Act. Appeals against the local Council Tax Support Scheme are covered by Regulation 16(b).

**Process:** new scheme all the government required that all pensioners receive the same

- The customer firstly needs to write to the Council saying they disagree with the decision. There is no time limit to do this. They can request this at any time.
- If we do not alter our original decision the customer has the right to appeal to the Valuation Tribunal.
- To appeal to the Valuation Tribunal the customer will need to do this on line at [www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk)
- The customer must complete the on line appeal application within two months of the date of the decision notice sent by ourselves upholding the original decision

**Summary of Council Tax Support amendments (including effective dates)**

**1. A new minimum earnings threshold will be introduced with effect from 01/04/15 to reflect the current arrangements in the Housing Benefit scheme.**

This minimum earnings threshold will help to determine whether a European Economic Area (EEA) national's previous or current work can be treated as genuine and effective for the purposes of deciding whether they have a right to reside in the UK as a worker or self-employed person.

The minimum earnings threshold has been set at the level at which workers start to pay National Insurance Contributions (NICs), currently £153 a week in the 2014/15 tax year. If an EEA national can prove that they have been earning at least this amount for a period of 3 months immediately before they claim CTS their work can be treated as genuine and effective and they will have a right to reside as a worker or self-employed person.

If they do not satisfy the minimum earnings threshold criteria, a further assessment will be undertaken against a broader range of criteria (such as hours worked, pattern of work, nature of employment contract etc.) to determine whether their employment is genuine and effective.

Ultimately, if an EEA national's income does not meet the minimum earnings threshold or the additional criteria to be classified as genuine and effective employment they will not be eligible for CTS.

**2. Special Educations Needs Allowance – to be disregarded in full with effect from 01/09/14**

**3. War Pensions / Armed Forces Compensation Scheme Guaranteed Income Payments – to be disregarded in full with effect from 01/04/13 (and to be consistent with Housing Benefit)**

**4. From 01/04/15 the CTR scheme will include changes to the habitual residency test to reflect changes to the Housing Benefit (HB) regulations.**

The amendments to the CTS scheme removes access to CTS for EEA jobseekers who make a new claim for CTS on or after 1 April 2015. EEA nationals who are self-employed, are workers or who are unemployed but retain their worker status have the same rights to CTS as a UK national and their situation remains unchanged.

EEA jobseekers who are entitled to CTS and JSA(IB) on 31 March 2015 will be protected until they have a break in their claim for CTS or JSA. If their JSA ends because they have started work, then as long as we can be satisfied that their employment is genuine and effective they will be able to access in-work CTS as either a worker or a self-employed person. Claimants receiving in-work CTS beyond 1 April will continue to be able to access CTS, if they become entitled to JSA(IB) on or after that date, but only if they retain their worker status. If they are a jobseeker then their CTS entitlement ends from the Monday following the cessation of work.

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<u>Committee and Date</u>	<u>Item</u>
Audit Committee 27 November 2014	8
Cabinet 10 December 2014	
Council 18 December 2014	
	<u>Public</u>

## TREASURY STRATEGY 2014/15 – MID YEAR REVIEW

**Responsible Officer** James Walton

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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

# 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%

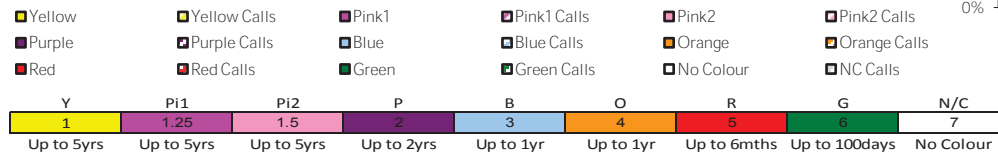
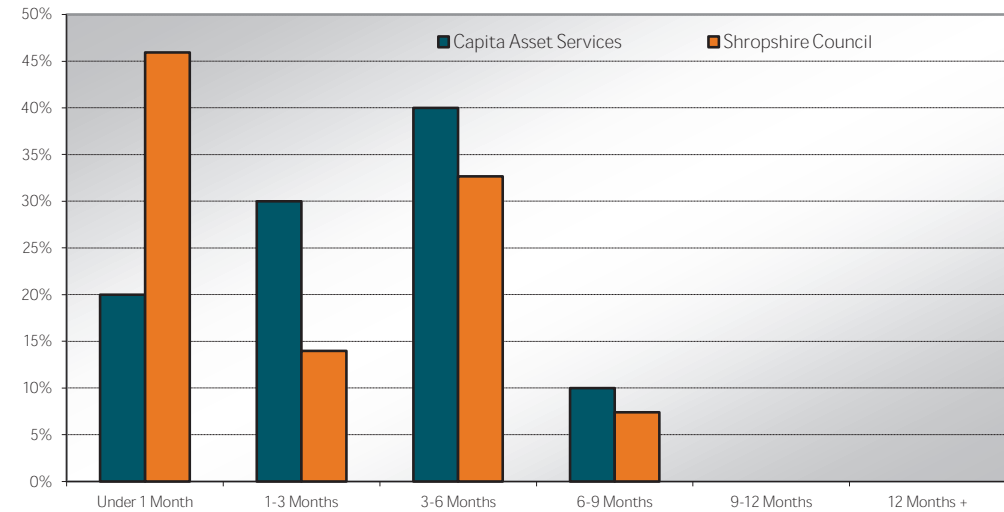
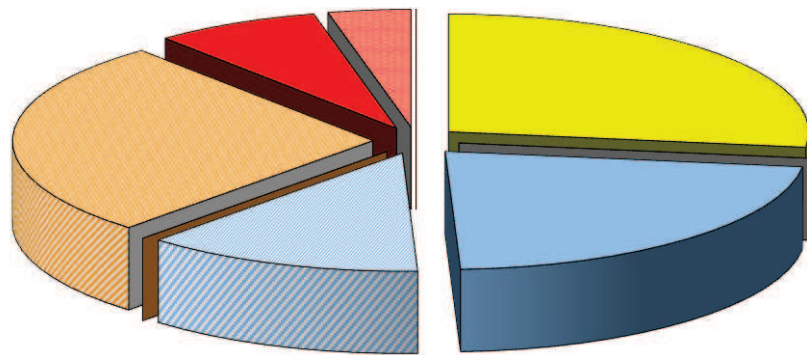


## Shropshire Council

### 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%
<b>Total Investments</b>	<b>£135,030,000</b>	<b>0.58%</b>				<b>0.015%</b>

Portfolio Breakdown by Capita Asset Services' Suggested Lending Criteria



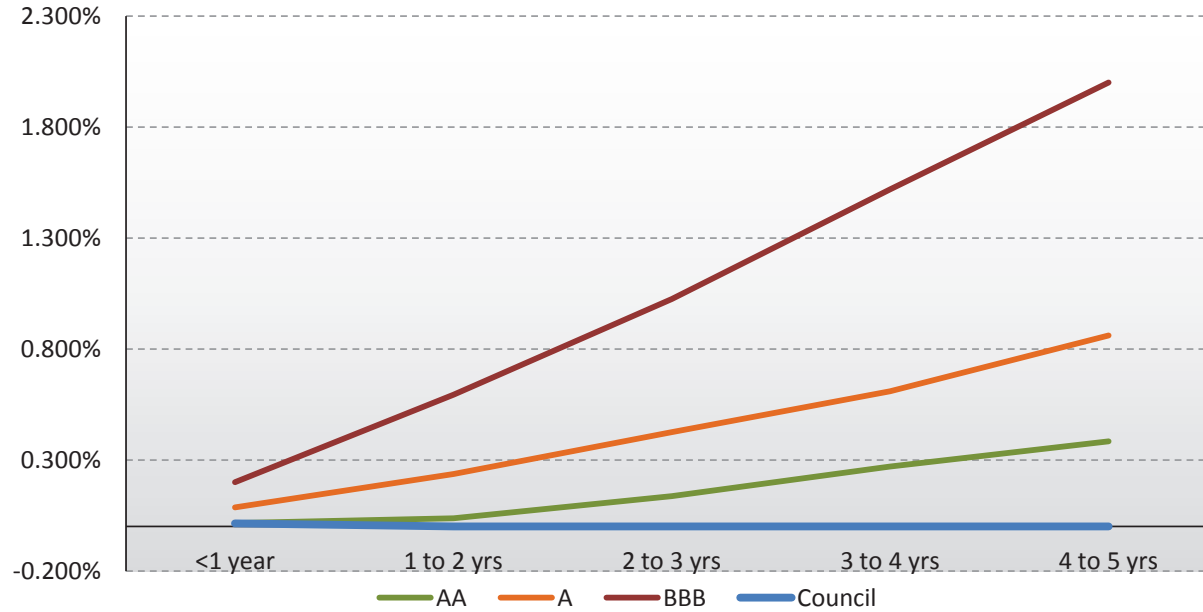
Portfolios weighted average risk number = **2.95**

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

	% of Portfolio	Amount	% of Colour		% of Call		Excluding Calls/MMFs/EMMFs			
			in Calls	Amount of Colour in Calls	in Portfolio	WARoR	WAM	WAM at Execution	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
<b>Total</b>	<b>100.00%</b>	<b>£135,030,000</b>	<b>43.27%</b>	<b>£58,430,000</b>	<b>43.27%</b>	<b>0.58%</b>	<b>63</b>	<b>118</b>	<b>91</b>	<b>188</b>

Investment Risk and Rating Exposure

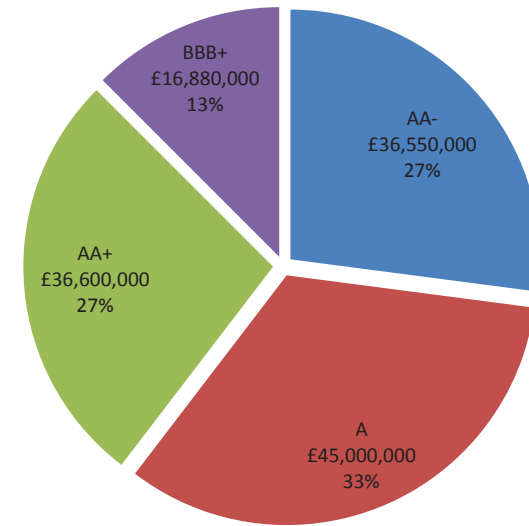
Investment Risk Vs. Rating Categories



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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## Capital Financing 2014/15 - Period 6 2014/15

## APPENDIX C

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 £	First year MRP Charged	Asset Life	Final year MRP Charged	
Monkmoor Campus	24/02/06	3,580,000														
Capital Receipts Shortfall -Cashflow Applied:	24/02/06	5,000,000														
Monkmoor Campus			3,000,000		0											
William Brooks					0		3,580,000									
Tern Valley					2,000,000											
		<b>8,580,000</b>	<b>3,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>3,580,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
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)														
		<b>450,000</b>	<b>410,200</b>	<b>39,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
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										
		<b>21,289,327</b>	<b>5,410,200</b>	<b>39,800</b>	<b>2,821,138</b>	<b>6,848,057</b>	<b>3,695,656</b>	<b>2,896,333</b>	<b>1,018,015.37</b>	<b>(1,439,872)</b>	<b>0</b>	<b>0</b>				
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				<b>5,161,632.52</b>	<b>7,686,443.86</b>	<b>14,195,138.94</b>	<b>17,301,632.44</b>	<b>19,337,446.83</b>	<b>19,114,842.83</b>	<b>16,423,990.88</b>	<b>15,242,027.65</b>	<b>14,097,584.42</b>				
								0	0	0	0	0				

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

2007/08	20	2026/27
---------	----	---------

2007/08	6	2012/13
---------	---	---------

2010/11	25	2034/35
---------	----	---------

2011/12	25	2035/36
2011/12	5	2015/16

	25	
2010/11	5	2014/15

2011/12	5	2017/18
---------	---	---------

2012/13	3	2014/15
---------	---	---------

2014/15	25	2038/39
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2013/14	25	2038/39
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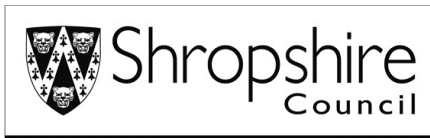
2014/15	10	2023/24
---------	----	---------

2012/13	5	2016/17
---------	---	---------

2013/14	5	2016/17
---------	---	---------

2009/10	5/25	
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<u>Committee and Date</u>	<u>Item</u>
Council	<b>9</b>  Public
18 December 2014	
10.00	

## CREATION OF NEW PENSION BOARD

**Responsible Officer** James Walton

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

Tel: (01743)  
255011

Fax (01743)  
255901

### 1. Summary

- 1.1. The report provides an update on the introduction of a Pension Board under the requirements of the Public Service Pensions Act 2013 including information relating to the draft Local Government Pension Scheme (LGPS) governance regulations.

### 2. Recommendations

- 2.1. To note the contents of the report, and in particular the:
  - content of the draft LGPS governance regulations and
  - progress made by the Task and Finish Group in implementing the changes for the Shropshire County Pension Fund.
- 2.2. Approve the setting up of the Pension Board from 1 April 2015.
- 2.3. Delegate authority to the Head of Finance Governance & Assurance to make minor changes to the Terms of Reference if required once the final regulations are issued.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

#### 3.1. Risk Management

Risk management is considered by the Pension Committee in making decisions under the governance compliance statement and in line with all relevant legislation.

**3.2. Human Rights Act Appraisal**

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

**3.3. Environmental Appraisal**

There are no direct environmental, equalities or climate change consequences of this proposal.

**3.4. Financial Implications**

There are no direct financial implications arising from this report.

**4. Public Service Pensions Act (PSPA) 2013**

4.1. During the last year the Pensions Committee have been made aware of the requirements of The Public Service Pensions Act 2013, in particular the need to introduce a new local Pension Board to assist the Scheme Manager (i.e. Shropshire Council) in ensuring compliance with legislation and the Pensions Regulator's requirements.

4.2. The Act requires that:

- the members of the Pension Board must not have a conflict of interest (though being a member of the LGPS is specifically mentioned as not being treated as a conflict in this circumstance), and
- the Pension Board must have equal numbers of employer representatives and member representatives.

4.3. It further puts a requirement on each Pension Board member to have an appropriate level of knowledge and understanding in relation to the scheme, local policy and overall pension legislation to properly exercise their function as a Pension Board member.

**5. LGPS Pension Board Requirements**

5.1. Draft regulations and an associated consultation were issued on 23 June outlining how these new Pension Boards are likely to be set up by administering authorities (including Shropshire Council) within the LGPS. It is worth noting that the provisions included in the draft LGPS governance regulations are relatively light touch, providing administering authorities with a significant amount of flexibility when developing their local Pension Board. In many places the provisions are effectively repeating the requirements of the PSPA.

5.2. Some of the key elements included in the draft LGPS governance regulations are outlined below:

*Establishment*

- Each administering authority is required to establish a local Pension board no later than 1 April 2015

- As well as assisting the administering authority with securing compliance with regulations and requirements imposed by the Pensions Regulator, the new Pension Board will also be responsible for assisting in ensuring effective and efficient governance and administration of the Scheme
- Where a pension committee already exists as a committee of a local authority (which is the case with most administering authorities), there is an option to create one combined Pension Committee and Pension Board. However, this will be subject to the Secretary of State's approval because the practical and legal hurdles for doing so are considered extremely challenging (and accordingly it is not expected that any local authorities will be able to adopt this route).

#### *Membership*

- There must be equal numbers of scheme member representatives and employer representatives
- There must be at least two of each of these representatives (so a Pension Board must comprise of at least four individuals)
- However, these representatives:
  - **cannot** be a member of the Board if they are an officer or elected member of the Administering Authority who is "responsible for the discharge" of any LGPS function
  - must have "relevant experience and capacity", although the covering letter explains that this experience requirement is not to be confused with the PSPA requirement to have ongoing knowledge and understanding of pension matters; it will be up to each administering authority to determine what they consider to be 'relevant experience'
- Other members can be appointed to the Pension Board in addition to the representatives but the number of these other members must be less than the total number of representatives

#### *Conflicts of Interest*

- Each administering authority must be satisfied that appointees to the Pension board do not have a conflict of interest (initially and on an ongoing basis).
- This is defined in the PSPA as "'a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)".

- 5.3. It is important to note that local authority legislation (such as the delegating of functions via a local authority committee or allowing co-opted members to sit on such a committee) will not apply to this new Pension Board as it will be constituted under the Public Service Pensions Act (rather than any Local Government Act). Accordingly the LGPS

regulations, when made, will include the appropriate powers and limitations for the creation of the Pension Board.

## 6. Creation of the Shropshire Pension Board

6.1. The consultation on the draft regulations closed on 15 August 2014. Since the first set of draft regulations were issued a further set of draft regulations were issued with a five week consultation period which closes on the 21 November. There were only a few minor differences between the second set of draft regulations and the first set which were issued at the end of June and these are summarised below:-

- Previously elected members of any authority were not permitted to sit on the local Pension Board but this will now be permissible albeit this has been introduced with the proviso that any elected member or officer of the Administering Authority who is responsible for the discharge of any LGPS function cannot be a member of the Board.
- It is now quite clear that Administering Authorities will have their own flexibility to draft the terms of reference rather than being required to fit within section 270 of the Local Government Act 1972.

6.2. Final regulations are expected to be made in late December 2014 with some of the provisions effective from 1 January 2015 to allow the establishment of these bodies before the deadline date of 1 April 2015.

6.3. The key stages to implementing the new Pension Board include:

- Developing terms of reference
- Formally agreeing creation of the Pension Board (by Council)
- Inviting nominations to sit on the Pension Board and then holding interviews
- Training (likely three separate days)
- Agreeing and developing the format of reporting packs.

6.4. The end result will likely be as illustrated overleaf:



6.5. At Pensions Committee in June 2014 it was agreed a Task and Finish Group would be created to take forward these proposals with decisions around the final recommendations to Council relating to the creation of the Pension Board delegated jointly to the Chairman of the Pensions Committee and Head of Finance, Governance and Assurance.

6.6. Since the Pensions Committee in June 2014, the following discussions have taken place:

- preparation meeting (Head of Treasury & Pensions, Pensions Administration Manager, Monitoring Officer, Head of Finance, Governance and Assurance, Aon Hewitt Governance Specialists) – consideration of key principles and timetable,
- Task & Finish Group (Head of Treasury & Pensions, Vice-Chairman of Pensions Committee, Aon Hewitt Governance Specialist) – review of draft terms of reference.

6.7. The following timetable has been developed for implementation of the Shropshire Pension Board however dates may change depending on when the final regulations are issued:

Drafting Terms of Reference (complete)	August / September 2014
Task & Finish Group (complete)	September 2014
Update Pension Committee (complete)	September 2014
Group Leaders sign off (complete)	November 2014
Council	18 December 2014
Final Regulations expected	Late December 2014/January 2015
Review Terms of Reference (if required)	January 2015
Elections/nominations	February 2015 – March 2015
Training of Board Members	February 2015 – April 2015
Commencement Date	1 April 2015

- 6.8. In accordance with the delegations agreed at the last Pensions Committee, a set of draft Terms of Reference has been agreed by the Vice-Chairman (in the absence of the Chairman) and Head of Finance, Governance and Assurance, following the advice of the Task and Finish Group. They have also been considered and approved by the Council's Monitoring Officer. The key elements of these Terms of Reference (subject to the final regulations) are summarised in Appendix A for noting by Council.
- 6.9. Due to a revised set of draft regulations being issued, the final regulations which were originally expected to be issued in October 2014, have been delayed until late December 2014 or January 2015. Although the setting up of the new Pension Board requires approval by Council before the deadline of the 1 April 2015 it is likely that the election of representatives to the Board and the training of Board Members will now be undertaken after this date due to this delay by Government.
- 6.10. Council are asked to approve the setting up of the new Pension Board and delegate authority to the Head of Finance Governance and Assurance to make any minor amendments to the Terms of Reference if necessary once the final regulations have been issued.

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

Pensions Committee, 20 June 2014 & 19 September 2014, Fund Governance & Creation of Pension Board.

**Cabinet Member**

Keith Barrow – Leader of the Council.

**Local Member**

N/A.

**Appendices**

Appendix A – Key Principles of Pension Board.



## **Appendix A – Key Principles of Pension Board Proposal**

### **Role of the Local Pension Board**

Restricted to requirements of Public Service Pensions Act i.e. assisting in:

- securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS.
- securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
- ensuring the effective and efficient governance and administration of the LGPS for the Shropshire County Pension Fund.

The role of the Board will be oversight of these matters and not decision making.

### **Composition of the Pension Board**

The Pension Board shall consist of 4 members as follows:

- i) 2 employer representatives
- ii) 2 scheme member representatives.

An independent member and substitute members may also be included in the composition of the Pension Board at the discretion of the Appointment Panel (a panel of two officers consisting of the Monitoring Officer or Deputy Monitoring Officer and Section 151 Officer or Deputy Section 151 Officer).

### **Appointment of members of the Pension Board**

The Appointment Panel will determine any eligibility and/or selection criteria.

- Employer representatives – each employer will be invited to nominate one representative to represent employers on the Pension Board.
- Scheme member representatives – all active, deferred and pensioner scheme members will be invited to submit applications to join the Pension Board.
- no officer or elected member of an Administering Authority who is responsible for the discharge of any LGPS function can be a member of the new board

The applications and nominations will then be subject to a selection process by the Appointment Panel.

### **Term of Office**

The term of office will be for 4 years with a possible extension for up to 2 years, with reappointment permitted after a further appointment process.

### **Location and Timing**

The Board will meet a minimum of twice in each calendar year.

### **Receipt of Advice and Information**

The Board will have access to the officers of Shropshire County Pension Fund and, via them, and where considered appropriate, access to the advisers to the Shropshire County Pension Fund. In addition Pension Board members will receive the final reports, minutes and agendas relating to all Pensions Committee meetings and may attend Pensions Committee meetings (including during exempt items).

Insofar as it relates to the role of the Pension Board, it may also;

- request and receive information and reports from the Pensions Committee or any other body or officer responsible for the management of the Fund

- examine decisions made or actions taken by the Pensions Committee or any other body or officer responsible for the management of the Fund.

### **Knowledge and Skills**

Board members will be required to the knowledge requirements of the Public Service Pensions Act (i.e. being conversant with pension matters relating to their role), including participating in training events, undertaking a personal training needs analysis or other method to identify gaps in skills, competencies and knowledge, complying with the Pension Fund's Training Policy insofar as it relates to Pension Board members.

### **Minutes**

The minutes of the Pension Board will be submitted to the Pensions Committee as standard.

### **Standards of Conduct**

The main elements of the Council's Code of Conduct will apply to Board members.

### **Access to the Public and Publication of Pension Board information**

The Pension Board will be treated in the same way as a Committee of Shropshire Council and, as such, members of the public may attend and papers will be made public in accordance with the Access to Information Rules in Shropshire Council's Constitution.

### **Expense reimbursement, remuneration and allowances**

An allowance will be made to both Employer and Scheme Member Representatives for attending meetings relating to Pension Board business (including attending training) at the rates contained in the Members' Allowances Scheme in the Shropshire Council's Constitution for co-opted members of a Shropshire Council Committee. No allowance will be paid if the Board member is performing this role within their normal working day without any reduction in pay. All Pension Board members will also be entitled to claim travel and subsistence allowances at rates contained in the Members' Allowances Scheme in the Shropshire Council's Constitution. All costs will be recharged to the Pension Fund.



## Committee and Date

Council

18 December 2014

10.00 am

## Item

**11**

Public

## ORGAN DONATION

**Responsible Officer** Rod Thomson

e-mail: Rod.Thomson@shropshire.gov.uk Tel: 01743 253935

### 1. Summary

During summer 2014 Shropshire's Public Health department undertook a research project to gather the views of Shropshire residents in regard to organ and tissue donation. The research project came as a result of a Full Council debate about organ and tissue donation during late 2013. During this debate, the merits of the current England 'opt-in' policy and Welsh 'opt-out' policy (to commence from December 2015) were discussed. The objective of this research was to ascertain whether residents supported the current 'opt-in' policy or favoured a move to 'opt-out' (please see Appendix 1 for definitions). This report will give an overview of the results from the survey.

This report was taken to the Health & Wellbeing Board on 29<sup>th</sup> August 2014.

### 2. Recommendations

- The Health and Wellbeing Board asks that Full Council accept these results as indicative of the views of the population of Shropshire.
- The Health and Wellbeing Board advises Full Council of its resolution to send this report to the county's Members of Parliament, the Secretary of State for Health, Jeremy Hunt, and to the Health and Wellbeing Board Regional Network. It is hoped that this process will spark national debate around the topic of organ donation.
- Following the evidence received, the Health & Wellbeing Board recommends that Council lobbies central government to consult all English residents to determine their views on adopting an opt-out system for organ donation.
- The Health and Wellbeing Board recommends that Council continues to monitor the changes to the scheme in Wales (due to commence from 1st December 2015).

## REPORT

### Methodology

The survey was completed online through the consultation pages of Shropshire Council's website and was available as a hard paper copy. The survey was open for six weeks between 1<sup>st</sup> June and 14<sup>th</sup> July 2014. The consultation period coincided with the NHS Blood and Transplant's (NHSBT) 'National Transplant Week' campaign. Significant publicity was undertaken via social media as well as promotion through partner agencies (please see Appendix 2 for distribution channels and methods of promotion).

The survey questions were refined through consultation with a number of partners including HealthWatch, Shrewsbury and Telford Hospital's Organ Donation Specialist Nurse, Shropshire's Health and Wellbeing Co-ordinator and a local Patient Participation Group membership.

### Main Results

Please see Appendix 3 for the list of questions included in the survey.

- We received 1179 responses to the survey.
- 76% of respondents were in favour of an 'opt-out' scheme\*
- 68% of respondents were female.
- The majority of respondents (61%) would like to receive information on organ donation via leaflets available in pharmacies, GP practices or dentist surgeries.
- A significant number of responses to the survey were received but the total number of responses represented less than 1% of the Shropshire population.

\*This figure includes the combination of responses: 'an opt-out policy' and 'an opt-out policy if certain measures are in place'.

Questions 4, 5, and 7 allowed qualitative responses in the comments sections. Thematic analysis has been applied to the data and the key themes have been explored (see Appendix 4 for a word cloud created using qualitative responses to the survey).

## Analysis of Results

**Chart 1 Percentage of respondents selecting an opt-in or opt-out policy for organ donation (n=1179)**

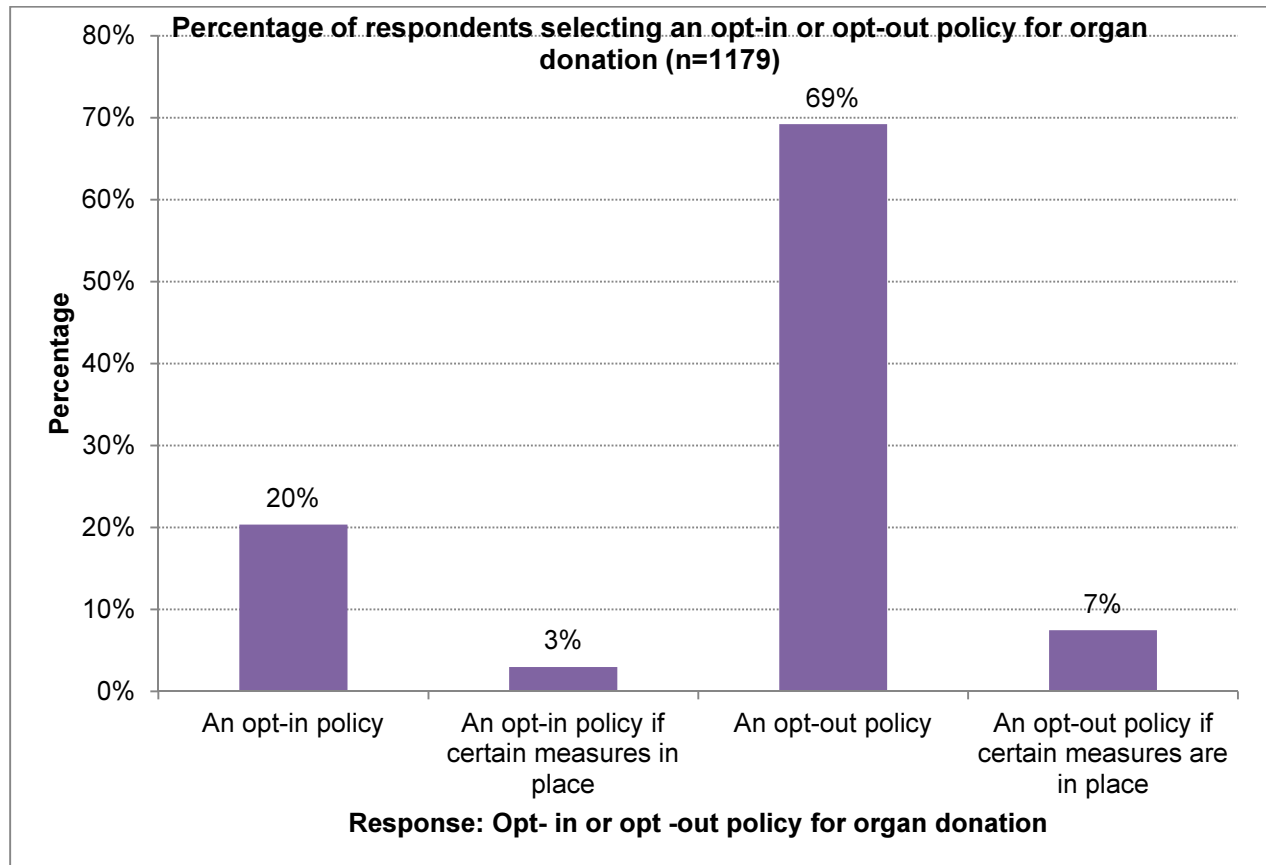


Chart 1 indicates the percentage distribution of responses to the survey's main question; 'which policy do you favour?' The majority of respondents (69%) favoured an opt-out policy. When this is combined with the number favouring 'an opt-out policy if certain measures are in place', the total becomes 76%.

### **Question 4. Which policy do you favour?**

For those selecting 'an 'opt-in' policy if certain measures are in place' or 'an 'opt-out' policy if certain measures are in place', thematic analysis of responses has been applied. This allows us to consider the main qualifications respondents applied to their response.

**Family** Respondents debated the role of relatives having the 'final say'. Twenty respondents felt that the family should be able to make the final decision regarding organ and tissue donation regardless of whether the individual has already expressed their desire. However, eleven respondents felt it was important that the family should not have a final say and that a decision should be made by the individual's presence on or off the donor register. A handful of respondents made reference to the status of children: several felt that only over 18s should be automatically registered if there were to be an opt-out policy. A small number of respondents stated that parents should make the decision about whether or not a child should appear on the register. The respondents expressed differing views as to the status of an adult (being over 16 or over 18) and how this would affect an opt-out system.

**Specify organs** Around twenty-five references were made to the need for individuals to be able to express the organs that they are happy/not happy to donate. This applied to both an opt-in and an opt-out system.

**Mental capacity** Five references were made to the mental capacity of the individual and their ability to make decisions around organ donation. This extended to those with learning difficulties and other vulnerable populations. A small number of references were made to the effect of dementia and other conditions upon decision making.

**Religion and culture** Less than ten references were made to religious beliefs needing to be taken into account and the requirement for consultation with religious groups.

**Ethical considerations** Respondents made reference to the need for robust checks and balances being in place to ensure that the process is ethical. This includes the methods of medical assurance that there would be no chance of recovery.

**Awareness** For both policy decisions, a small number of respondents passed comment about the requirement for more information/education on the topic to ensure that the public is aware about what is required to opt-in or opt-out. This would be to ensure that the population is clear on the policy and how to express their wishes.

**Other** A very small number of respondents made reference to a policy whereby signing up to the organ donation register should enable the donor to receive organs; those who were not on the register should either be unable to receive donations or should be a lower priority for receiving organ donations. Two respondents suggested that donors should be able to specify those who could receive their donations. Three comments also made reference to priority being given to NHS patients or UK citizens.

**Chart 2 Gender distribution of respondents**

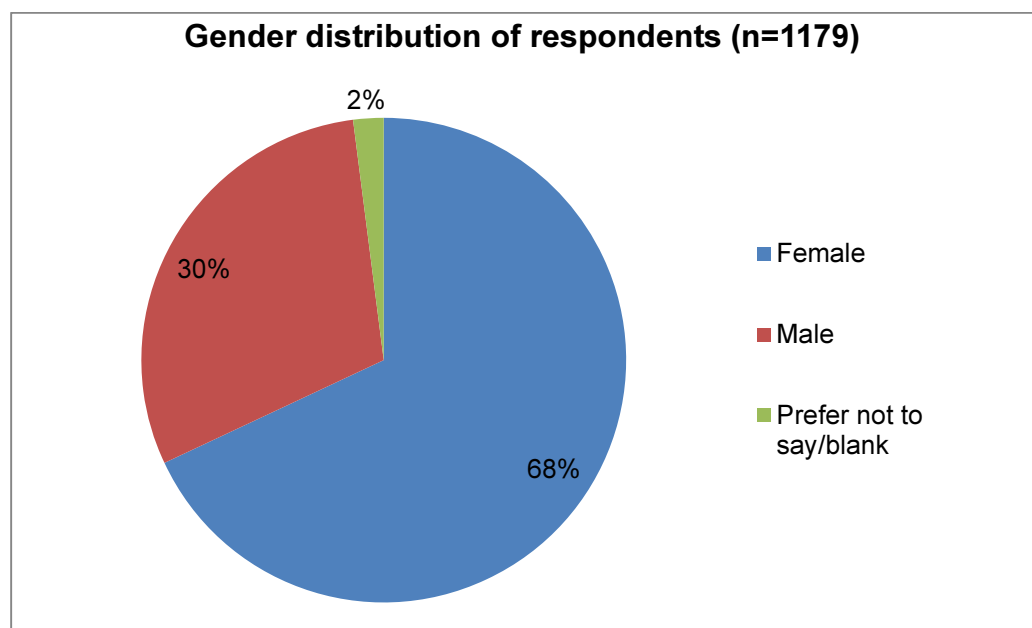


Chart 2 depicts the gender distribution of respondents. The results highlight that a significant percentage of the respondents reported being female (68%). This distribution not representative of the gender distribution across the county.

This could reflect both the locations and methods of promotion. Paper copies of the survey and posters advertising the research were distributed to libraries, GP surgeries, Children's Centres and through customer contact points (see Appendix 2 for a full list of distribution channels). It is possible that these distribution points may be more regularly frequented by females. The gender distribution amongst respondents could indicate that the topic of organ donation is predominantly of interest to females. Data from the NHS Blood and Transplant

(NHSBT)<sup>1</sup> authority demonstrates that more females than males are signed up to the organ donation register (54% women, 46% men) and a consultation by the European Commission<sup>2</sup> on 'Europeans and organ donation' in 2007 indicated that females are more likely than men to have discussed the topic of organ donation with their families (45% women, 37% men).

**Chart 3 Age distribution of respondents**

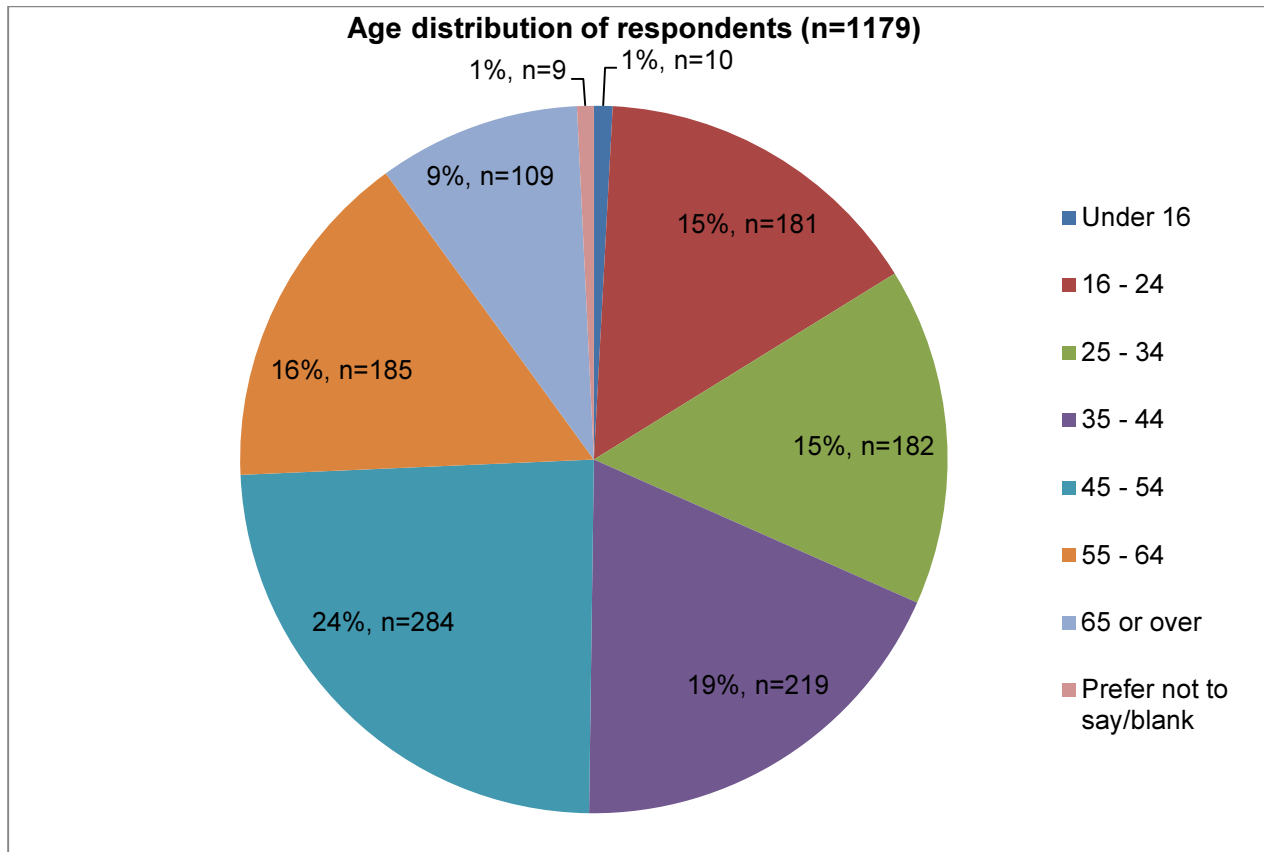


Chart 3 indicates the age distribution of respondents. The vast majority of respondents were aged between 35-64 (59%). Few respondents under the age of 16 participated in the research. Again, it is possible that locations for promotion influenced the audience reached. Although attempts were made to engage with schools to promote the survey, few responses were received from those of school age. However, promotion of the survey within one college in the county resulted in a significant number of responses for those aged 16-24.

**Postcode**

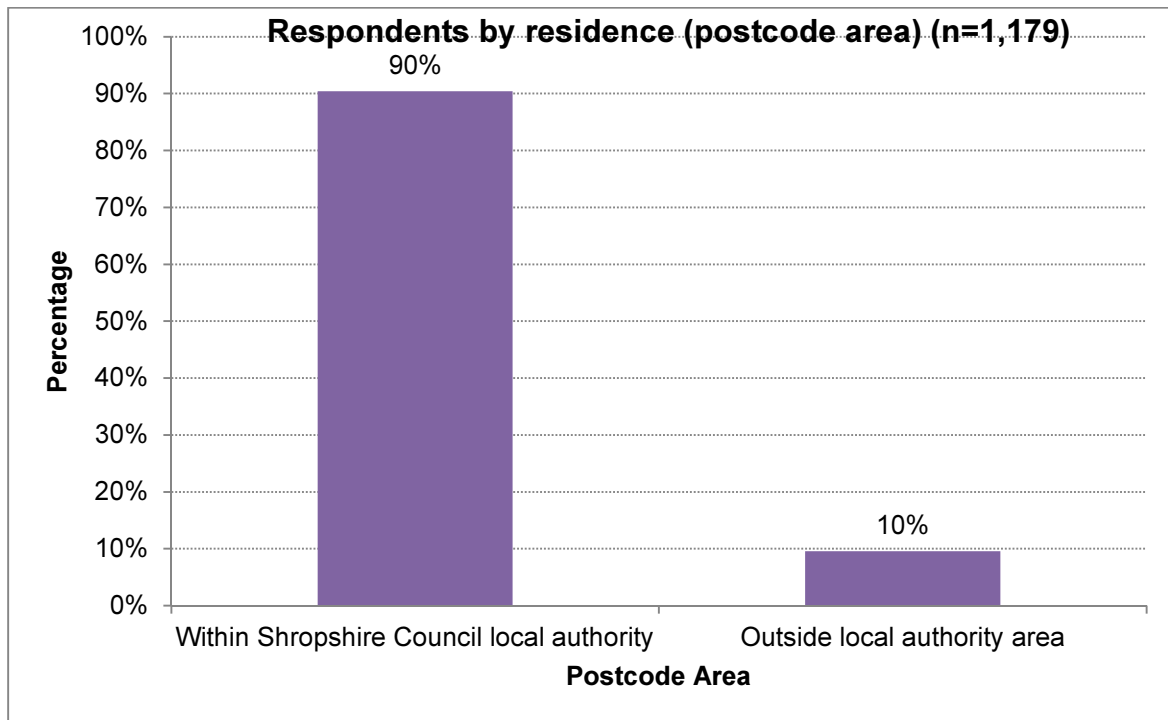
Results from analysis of postal codes indicates that most participants lived within the Shrewsbury area, with approximately 16% of responders living within the SY3 postcode. Largely, the data reflects the population distribution across the county with most respondents living within the vicinity of Shrewsbury and the larger market towns where population is greatest.

Chart 4 (below) indicates that 10% of all respondents lived in areas with postcodes outside of the Shropshire Council local authority area. This may reflect the numbers of border

<sup>1</sup> NHSBT. (2011). Did you know? Factsheet. Available at: [http://www.organdonation.nhs.uk/newsroom/fact\\_sheets/did\\_you\\_know.asp](http://www.organdonation.nhs.uk/newsroom/fact_sheets/did_you_know.asp)  
<sup>2</sup> European Commission. (2007). Europeans and organ donation. Available at: [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_272d\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_272d_en.pdf)

populations who access services within Shropshire (e.g. GP surgeries, libraries, hospitals) but are resident within Telford, Wolverhampton, Powys and other neighbouring authorities.

**Chart 4 Respondents by residence (postcode area)**



**Chart 5 Preferred methods of finding out more information about organ donation, split by gender.**



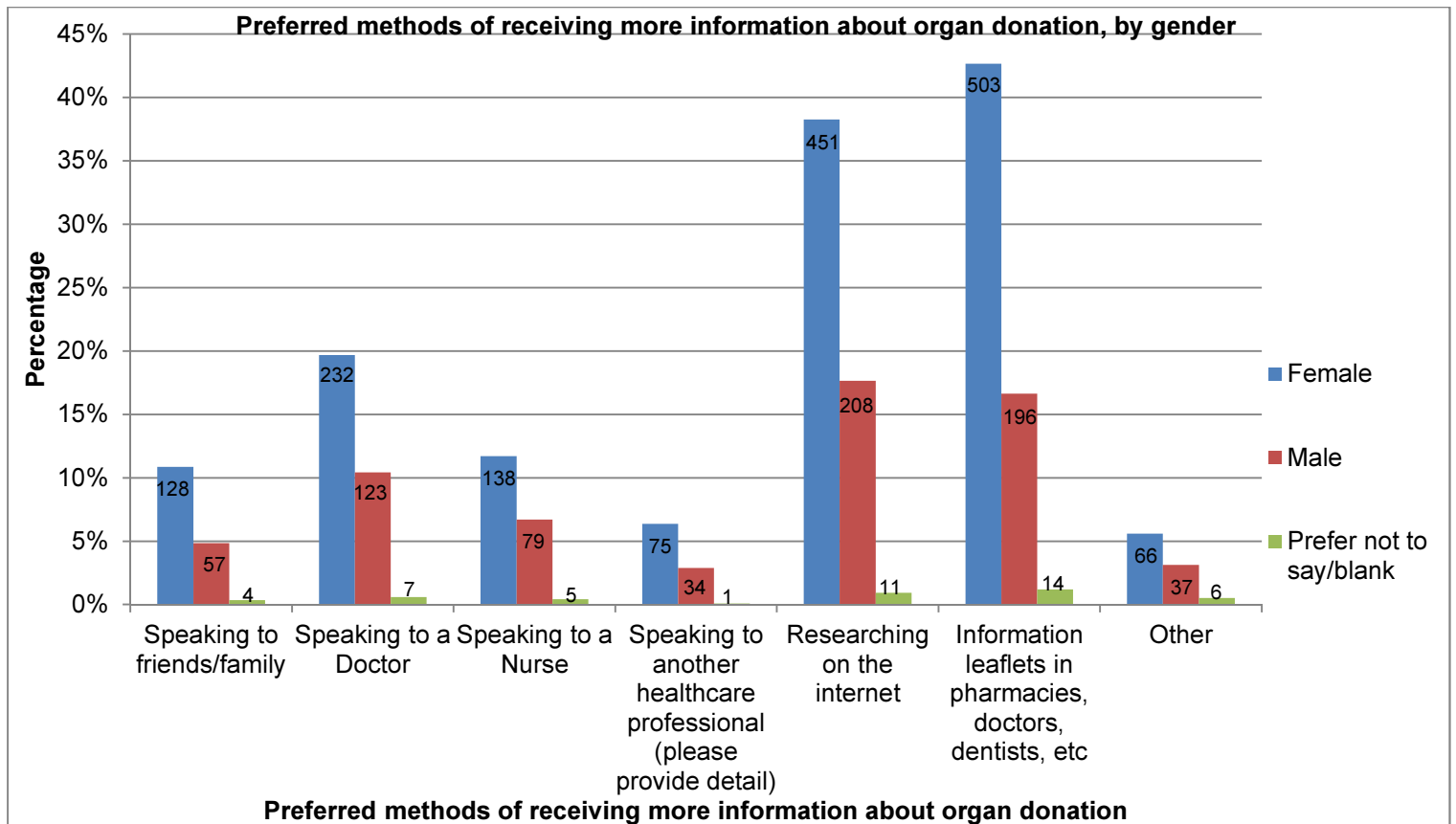


Chart 5 depicts respondents' preferences for receiving more information about the topic of organ donation. The responses have been split by gender to allow for more comprehensive analysis. Respondents were able to select more than one option in their preferred methods of communication and some respondents chose to leave this question unanswered. The chart indicates that the majority of respondents selected information leaflets as a preferred method of receiving more information about organ and tissue donation. In total (including male, female and prefer not to say/blank), 61% of the total number of respondents would prefer to find out more information through leaflets left in public spaces, and 57% would want to find more information by researching online. Although these responses are in relation to finding out further information about organ and tissue donation, it is possible that this learning could be applied to broader health-related messages when considering the best methods to reach individuals.

**Question 5. Where would you like to find out more information about organ and tissue donation?**

The majority of respondents selected methods defined in Chart 4, however, 109 respondents selected 'other'. Other methods included:

**Media coverage** Around forty respondents felt it was important for the topic of organ donation to be communicated via radio, television or social media.

**Educational institutions** Schools, colleges, universities and adult education venues were highlighted as locations where the topic of organ donation should be discussed, or where information should be available. Several respondents felt that it was important to start communication about the topic as early as possible in order to remove stigma and to encourage choice.

**Community venues** Suggestions were made for further locations where information should be made available to the public. These included; libraries, community centres, opticians, supermarkets and shops, pubs, banks, children's centres, nursing homes and work places.

**Information sent to homes** A small number of respondents suggested that information about organ donation should be sent to homes along with other documentation such as health appointment letters or alongside formal documentation such as new passports.

**Sharing experiences** A number of respondents highlighted personal stories as a method of sharing information about organ donation.

**More information not necessary** It was indicated by more than twenty respondents that no further information regarding the topic of organ donation would be necessary.

### **Question 7. Further comments**

Many of the comments in this section were similar to those received in answer to Question 4.

**Family** A small number of respondents mentioned the ability for family members to override/not override the individual's wishes. More than five respondents made note of the fact that discussion at the time of death is difficult and it is important for families to have had the conversation at an earlier stage. Some respondents felt it was important that there is greater encouragement for parents to sign their children up to the register. Respondents considered how the policy should apply to children.

**Ethical considerations** Respondents discussed the need for medical assurance that there is no chance of recovery and that methods should be in place to avoid manipulation of the system. There was significant discussion of 'the state' and 'ownership' of organs or the deceased. Around 10 comments were made in regard to the potential for mistakes and any correlation with decisions around euthanasia and other ethical consequences. A very small number of comments were raised regarding the system in place for an opt-out policy and recording those who have opted-out. Several respondents expressed a lack of confidence that the system for this would be robust.

**Awareness** Similar to the responses to Questions 4 and 5, nearly twenty respondents stated that publicity around organ donation should be improved with more advertisement in mainstream media including particular focus with the elderly, schools and attendees at GP surgeries. It was felt that there should be greater clarification of the current/any changed process.

**Securing donors** Around ten respondents made reference to individuals' 'laziness', 'apathy' or 'not getting around' to signing up to the organ donation register. Many felt that an opt-out system would help to combat this. Reference was made to how a change in policy would save lives by increasing the number of available donors.

**Homosexuality/Bi-sexuality** One comment was made in regard to reassessment of the restrictions on organ and blood donations from gay/bisexual men.

**Medical research** There were a small number of suggestions that any unused organs or tissue should be donated to medical/scientific research.

**Already registered** Many respondents made note of the fact that they were already longstanding members of the organ donation register.

### **Discussion**

The survey results indicate that the majority of respondents favoured an opt-out policy whereby individuals are automatically placed on the organ and tissue donation register and must remove themselves from the register if they do not wish to donate their organs.

The survey was well publicised and a significant number of responses to the survey were received over the six week consultation period. The consultation coincided with the NHSBT's national 'Transplant Week'. The number of responses compared favourably with a similar consultation in Wales during 2012 (see Appendix 5) but the total number of responses represented less than 1% of the Shropshire population.

Question 5 asked respondents about their preferred methods of receiving further information on the topic. The results indicated that preferred methods were information leaflets left in

medical venues (GP practices, pharmacies, dentists) and researching on the internet. This information may be useful for future health-related campaigns or information-sharing by health professionals as it may indicate the most effective methods for transmitting information of receiving residents' views.

Thematic analysis of the comments sections of the survey indicated common matters of interest for respondents. In particular, the topics of 'family' (family members having/not having the 'final say'), 'ethical considerations' (robust systems of recording, medical assurance of no chance of recovery) and 'ability to specify organs for donation' were key matters for respondents. Analysis and application of these results should take these qualitative responses into account.

### **Limitations**

- The results of this survey are representative of the sample consulted over a consultation period of six weeks.
- Caution should be applied for wider application of these results.
- To produce a more representative sample of results, a greater number of residents should be given the opportunity to form part of the consultation. This could be achieved by organising a survey/leaflet distribution to every Shropshire household.
- A similar consultation, undertaken across Wales during 2012, received a total of 2,891 responses. See Appendix 5 for detail of organ donation developments in Wales.

### **Next Steps**

- Shropshire Council Elected Members wished to hear the views of Shropshire residents with regard to the current England organ and tissue donation policy and the future Welsh policy.
- Shropshire Council Elected Members can interpret these survey results as an accurate representation of the population consulted.
- The policy favoured by the majority of respondents is apparent, however this must be considered with the limitations stated above.
- The cost-effectiveness of a more comprehensive campaign (such as survey/leaflet distribution to all Shropshire Council households) is open to question.
- Investigate other data sources to understand the number of Shropshire residents on the organ donor list e.g. DVLA, National Donor Register.

### **Recommendations**

- The Health and Wellbeing Board asks that Full Council accept these results as indicative of the views of the population of Shropshire.
- The Health and Wellbeing Board advises Full Council of its resolution to send this report to the county's Members of Parliament, the Secretary of State for Health, Jeremy Hunt, and to the Health and Wellbeing Board Regional Network. It is hoped that this process will spark national debate around the topic of organ donation.
- The Health and Wellbeing Board recommends that Council continues to monitor the changes in Wales (to commence from 1<sup>st</sup> December 2015).

- The Health and Wellbeing Board recommends that Council continues to monitor the changes to the scheme in Wales (due to commence from 1st December 2015).

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)  
Cllr Karen Calder

Local Member  
All

Appendices

**Appendix 1 – Definitions**

**Appendix 2 – Distribution Channels and Promotion**

**Appendix 3 – Survey Questions**

**Appendix 4 – Word Cloud using themes from qualitative responses**

**Appendix 5 – Organ Donation Developments in Wales**

## APPENDICES 1 – 5: Organ Donation Report

### **Appendix 1 – Definitions**

#### **Organ Donation**

Organ and tissue donation is the gift of an organ (e.g. heart, lungs or kidneys) or soft tissue such as corneas (the transparent front part of your eye) when you die to help someone who needs a transplant. People who need organs and/or tissue replacement go on transplant lists to wait for a suitable donor to become available.

#### **An example of an ‘opt-in’ system**

The current policy in England is ‘opt-in’; this means that people must sign up to the organ and tissue donation register, specifying which organs and/or tissues they are willing to donate after they die.

- You can join the organ and tissue donation list regardless of your age or health.
- You can choose to donate only specific organs.
- Your family can still choose to override your request (and if you are under 18 your parents need to agree to your wishes).
- If you are not signed up to the register, your family can still choose to donate your organs and/or tissues if they believe this is what you would have wished.

#### **An example of an ‘opt-out’ system**

The ‘opt-out’ policy means that everyone is automatically considered to be a potential donor. An example\* option of an ‘opt-out’ policy would be:

- If you **do not** wish to donate your organs you would need to register a decision not to be a donor.
- If you do not register a decision it will be assumed that you are happy to donate your organs after you die.
- You can choose to donate only specific organs.
- You can appoint a representative to make a decision about consent on your behalf.
- If you lack capacity to understand the policy, a representative will make a decision upon your behalf.
- This is a ‘soft’ opt-out system as the family can still refuse the donation on the individual’s behalf if they believe that they did not want to be a donor.

\*This example of an opt-out system is based on the system to commence in Wales from December 2015.

## **Appendix 2 – Distribution Channels and Promotion**

### **Distribution**

#### **Paper copies**

Paper copies of the survey were distributed through the following channels:

- GP surgeries
- Libraries
- Patient Participation Groups
- Children's Centres
- Customer contact points
- Leisure Centres
- Councillors
- Supermarkets in Shrewsbury

The paper survey was also available by request.

#### **Online survey**

The online survey was promoted through the following channels:

- Shrewsbury and Telford Hospital
- Robert Jones and Agnes Hunt Orthopaedic Hospital
- Shropshire Council (intranet and newsroom article)
- Shropshire Council Members
- Shropshire Council Adult Services
- Shropshire Council's social media
- Shropshire CCG
- Shropshire Community Health Trust
- Healthwatch
- Shropshire VCSA
- GP surgeries
- Shropshire Libraries
- Shropshire PPGs
- Children's Centres
- Leisure Centres
- Shrewsbury Town Football Club
- Shropshire Learning Gateway
- Various Shrewsbury businesses
- Shropshire Silver – Emergency Planning group
- Shropshire Young Farmers
- Shropshire and Shrewsbury Women's Institute
- Kinlet Women's Institute
- Shropshire Youth Support Services (YSS)
- Barnabas Community Church
- Shropshire Family Information Service
- Tesco Shrewsbury
- Asda Shrewsbury
- Youth Parliament
- Shropshire Youth Association

- Shropshire Health Champions
- Shrewsbury and Shropshire Chamber of Commerce
- Federation of small businesses
- BBC Radio Shropshire

## **Promotion**

Whilst the survey was live, a number of press releases were issued to promote the research and to encourage people to discuss the topics of organ donation and how to keep healthy (reducing their likelihood of requiring donation). Local newspapers published stories encouraging their readership to participate and BBC Radio Shropshire aired three interviews in relation to the research. Three press releases and a blog were circulated via Shropshire Council Newsroom, receiving a total of 230 hits.

Social media was effectively harnessed to promote the survey. Existing Shropshire Council Twitter accounts were utilised to increase reach.

49 surveys were completed outside a major local supermarket in Shrewsbury. Completing surveys with individuals face-to-face allowed respondents the opportunity to clarify the research objectives. It also incited discussion of organ donation amongst family members.

### **Appendix 3 – Survey Questions**

Questions from Shropshire’s Organ and Tissue Donation survey 2014

**Question 1.** Your gender:

- Male
- Female
- Prefer not to say

**Question 2.** Your age:

- Under 16      45-54
- 16-24        55-64
- 25-34        65 or over
- 35-44        Prefer not to say

**Question 3.** Please provide the first half of your postcode:

- List of Shropshire Council postcodes
- I live outside the authority area

**Question 4.** After reading the background information which explains the project and the difference between the policies, are you in favour of:

- A. An opt-in policy
- B. An opt-in policy if certain measures are in place (please indicate these measures)
- C. An opt-out policy
- D. An opt-out policy if certain measures are in place (please indicate these measures)

**Question 5.** Where would you like to find out more information about organ and tissue donation?

- Speaking to friends/family
- Speaking to a doctor
- Speaking to a nurse
- Speaking to another healthcare professional (please specify)
- Researching on the internet
- Information leaflets in pharmacies, GP practices, dentist surgeries etc.
- Other (please specify)

**Question 6.** Where did you hear about this research?

- Shropshire Council website
- Word of mouth
- GP practice
- Shrewsbury and Telford Hospital Trust
- Robert Jones and Agnes Hunt Hospital
- Through my employer
- Local newspaper
- Radio
- Social media
- Other (please specify)

**Question 7.** Further comments





## **Appendix 5 – Organ Donation Developments in Wales**

As of December 2015, Wales will be moving to a soft 'opt-out' system. From the 1<sup>st</sup> December 2015 residents who do not wish to be on the organ donation register must register a decision to opt-out. This change in policy is as a result of the Human Transplant (Wales) Act 2013. Consent will be assumed for those who do not register a decision to 'opt-out'. For more information please see [www.organdonationwales.org](http://www.organdonationwales.org).

Prior to the passing of this legislation, in 2009 Wales carried out a consultation to understand residents' views in regard to 'opt-in' or 'opt-out' for organ donation. They received 664 responses to this consultation with 81% of respondents in favour of a change to legislation. Another consultation was then held in 2012 to consult stakeholders and members of the public on the draft bill. The consultation involved a number of events held across the country. Wales received 2,891 responses to this consultation. The majority, (2,601), were received as a result of a campaign by the Society for the Protection of the Unborn Child (SPUC). SPUC distributed leaflets and letters amongst religious communities across Wales. An implementation project team has been established to continue communication with the public around the policy change. E-bulletins are released on a bi-weekly basis. For more information, please contact the Wales Organ and Tissue Donation Legislation Project Team.



<u>Committee and Date</u>
Council
18 December 2014
10.00 am

<u>Item</u>
<b>12</b>
<u>Public</u>

## LOCAL JOINT COMMITTEES – UPDATE ON 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. Recently LJCs have been considering how best to support local commissioning and will be commissioning youth activities from April 2015.

A review has recently taken place on LJC boundaries with a view to creating a better fit with Place Plan areas and to better reflect the available staffing support resources. 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 that these changes are delegated to the Chief Executive in consultation with the relevant Portfolio Holder and local members.

### 2. Recommendations

To recommend to Council the following:

- i) changes to the geographies of LJCs as set out in Appendix 1 to this report:
  - Local governance within Shrewsbury will continue to be supported by the Shrewsbury wide LJC; however, the six individual area based Shrewsbury LJCs will no longer meet as formally constituted LJCs, 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 LJCs are consolidated into three new LJCs:
    - 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 Cleve LJC to form the Bridgnorth, Worfield, Alveley, Claverley & Brown Cleve 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, LJCs 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.

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**

The proposed boundary changes will reduce the number of LJCs currently supported from 31 to 23 easing the administrative burden and pressure on finite resources.

### **3.0 Background Information**

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

LJCs 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.

In support of its local commissioning role we anticipate that LJCs 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 1** 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 amongst local councils particularly within the Shrewsbury rural area, but the proposals outlined here are felt to be the best compromise available.

#### 4.0 Conclusions

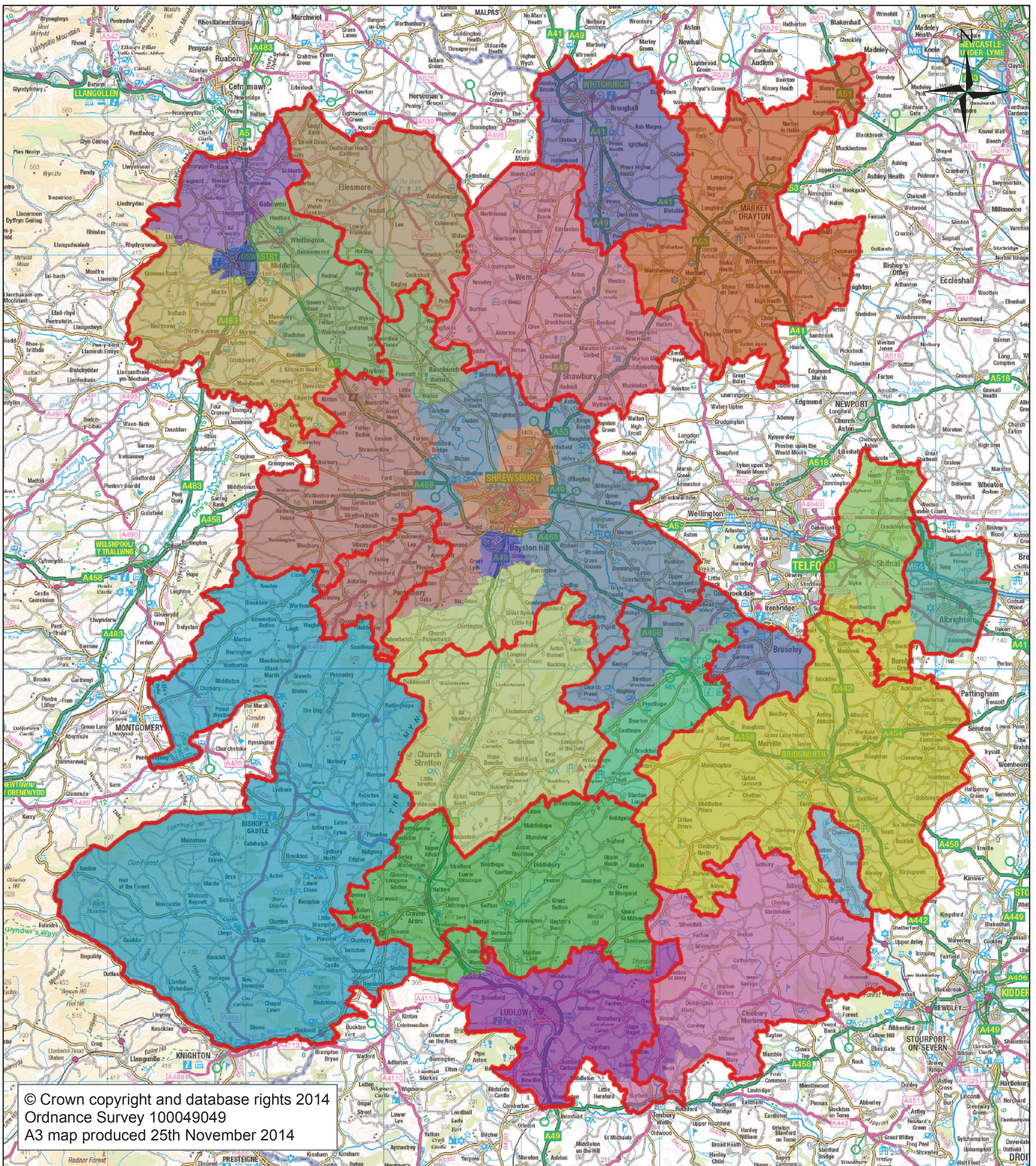
The proposed LJC boundary changes outlined within this report will strengthen local governance in support of local commissioning by more closely aligning with Place Plans boundaries. They will also provide some efficiencies by reducing the need for administration support.

It is anticipated that in the future some changes may be necessary to the LJC constitution and further changes to boundaries in order to better reflect the local commissioning environment. It is proposed that these changes are delegated to the Chief Executive in consultation with the relevant Portfolio Holder and local members.

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

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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 |
| <b>Revised Local Joint Committees</b>                    | 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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## SHROPSHIRE AND WREKIN FIRE AND RESCUE AUTHORITY CHAIR'S REPORT OF THE MEETING HELD ON 8 OCTOBER 2014

### Use of General Fund Balance 2013/14

The Fire Authority has agreed how the General Fund balance from 2013/14 will be used and that any future savings will be contributed to the Unearmarked Capital reserve, to fund major building works, while avoiding debt charges in the revenue budget.

### Integrated Risk Management / 2020 Planning Process

The Fire Authority received a report regarding the outcomes of its Integrated Risk Management Plan (IRMP) 2020 consultation process and considered which proposals should be included in the Fire Authority's IRMP 2015 to 2020. A summary of the more significant decisions is set out below. A number of other decisions were also made to reduce budgets by cutting the costs of various contracts and contributions to reserves.

### Fire Control

Suspend merger proposals and undertake a Fire Control Review project, which should identify alternative options for improving the cost-effectiveness of the Fire Control function by approximately £300k per annum. In the meantime, the Service will maintain a watching brief on all partner collaboration opportunities.

### The IRMP Strategic Document and revisions to the Fire Authority's IRMP Response Standards

Review and revise the draft IRMP document, based on the comments received through consultation, publishing the final version in April 2015, and change the risk classification for specific parts of the Prees parish, from 'Rural' to 'Town and Fringe'.

### Changes to the shifts currently worked by wholetime staff

Undertake a project to identify all possible options, which could reduce the current wholetime staffing costs by approximately £400k per annum, whilst continuing to deliver a service matched to risk.

### Business Fire Safety

Review the Business Fire Safety Department to ensure that it is delivering the right service, at the right cost and that the right levels of safety are provided for staff and the community.

## **Use Retained Duty System staff to fill short-term wholetime gaps**

In progressing the wholetime shift system review project (see above), consider how the Service could make the best use of its Retained Duty System staff in any resulting Integrated Staffing System.

## **Reduction in the overall support staff budget**

Continue with the commitment to reduce the support staff pay budget by £105k by 2020.

## **Code of Corporate Governance 2014/15**

The Fire Authority has formally adopted its Code of Corporate Governance 2014/15. Prior to the meeting the draft Code had been audited by Shropshire Council Internal Audit and been given an assurance opinion of 'good' (the highest assurance opinion).

## **Annual Review 2013/14**

The Fire Authority has agreed its Annual Review 2013/14, which looks back at the last financial year and explains the Authority's objectives, performance, risks and initiatives, along with its plans for the future.

## **Details of Lives Saved and those Protected from Harm**

The Fire Authority received a paper, which highlighted the number of people, who have been protected from harm, or rescued by operational crews from April to the end of August 2014. In summary,

- 5 people have been advised to leave their property
- 1 has received first aid at the scene
- 7 have been cut free at road traffic collisions
- 2 have received first aid at road traffic collisions

Fire Authority officers have devised a formula in an attempt to calculate the value of the Service's rescue work. This is based on the official NHS adviser's figure of £30,000, as the value of each additional year of quality life provided to a patient following treatment. Using this figure and various multipliers, depending on the type of rescue, the value of the Service's rescue work for the period 1 April to 31 August 2014 has been calculated at £2,475,000.



Stuart West  
Chair  
Shropshire and Wrekin Fire and Rescue Authority  
October 2014

## Background Papers

Agenda Papers for the meeting of Shropshire and Wrekin Fire and Rescue Authority held on 8 October 2014

**The agendas and reports (with the exception of exempt or confidential items) for all Fire Authority meetings and those of its Committees appear on the Brigade's website:**

<http://www.shropshirefire.gov.uk>

To access reports go to the Fire Service's website and follow the steps below.

- Click on the 'Managing the Service' icon at the bottom of page
- Click on the 'Fire Authority' icon
- Click on 'Meetings' in the list on the right hand side of the screen
- Click on '8 October 2014' and the various reports and appendices will be listed

If you have any difficulty with the website, please contact Lynn Ince, Executive Support Officer, on 01743 260225.

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