



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

Date: Tuesday, 21 July 2015

**Committee:
Cabinet**

Date: Wednesday, 29 July 2015

Time: 12.30 pm

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

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

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

Members of Cabinet

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

Deputy Members of Cabinet

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

Your Committee Officer is:

Penny Chamberlain Principal Committee Officer

Tel: 01743 257711

Email: penny.chamberlain@shropshire.gov.uk

NOTICE RE VIDEO RECORDING OF CABINET MEETINGS

& REQUIREMENTS OF DATA PROTECTION ACT 1998

Cabinet meetings are video recorded by Shropshire Council and these recordings will be made available to the public via the Shropshire Council Newsroom.

Images of individuals may be potentially classed as 'personal information' and subject to the requirements of the Data Protection Act 1998.

Members of the public making a recording of the meeting are advised to seek advice on their obligations to ensure any processing of personal information complies with the Data Protection Act.

Meetings video recorded by Shropshire Council may be made available to the public via the Shropshire Newsroom, or generally on the internet or other media channels.

The Council will take the following steps to ensure its compliance with data protection requirements:

- Appropriate notices will be included on the agenda for each meeting;
- Appropriate signage will be displayed at each meeting;
- At the beginning of each meeting the Chair will formally announce that the meeting is being recorded;
- The camera will not record or show images of those in the public gallery; and
- Members of the public called to speak may opt to do so from a position where they are not visually identified on camera

Members of the public positioned in an area being recorded will be deemed to have given their consent (by implication) to any images etc. of themselves being used for broadcast and any other appropriate purposes consistent with the notices.

May 2015

AGENDA

1 Apologies for Absence

2 Disclosable Pecuniary Interests

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

3 Minutes (Pages 1 - 6)

To approve as a correct record the Minutes of the meeting held on 10th June 2015, attached marked 3.

Contact – Penny Chamberlain (01743 252729)

4 Public Questions

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

5 Matters Referred from Scrutiny/Council

6 Reports of Scrutiny Committees (Pages 7 - 48)

Report of the Empty Homes Task and Finish Group

Report of the Empty Homes Strategy task and finish group is attached, marked 6.

Contact – George Candler – 01743 255003

7 Report 1 - Financial Strategy 2015/2016 (Pages 49 - 72)

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

Report of the Head of Finance, Governance and Assurance is attached, marked 7.

Contact – James Walton (01743 255001)

8 Revenue Monitor Quarter 1 2015/2016 (Pages 73 - 88)

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

Report of the Head of Finance, Governance and Assurance is attached, marked 8.

Contact – James Walton (01743 255001)

9 Capital Monitor Quarter 1 2015/2016 (Pages 89 - 112)

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

Report of the Head of Finance, Governance and Assurance is attached, marked 9.

Contact – James Walton (011743 255001)

10 Annual Treasury Report 2014/2015 (Pages 113 - 128)

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

Report of the Head of Finance, Governance and Assurance is attached, marked 9.

Contact – James Walton (011743 255001)

11 Treasury Management Update - Quarter 1 2015/2016 (Pages 129 - 148)

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

Report of the Head of Finance, Governance and Assurance is attached, marked 10.

Contact – James Walton (01743 255001)

12 Draft Discretionary Housing Payments Scheme (Pages 149 - 196)

Lead Member – Mr Malcolm Price, Portfolio Holder for Regulatory Services, Housing and Commissioning (Central).

Report of the Director of Public Health is attached, marked 12.

Contact – Rod Thomson (01743 253934)

13 Draft Local Support and Prevention Fund Policy (Pages 197 - 236)

Lead Member – Mr Malcolm Price, Portfolio Holder for Regulatory Services, Housing and Commissioning (Central).

Report of the Director of Public Health is attached, marked 13.

Contact – Rod Thomson (01743 253934)

14 Place Plan Priorities and Community Infrastructure Levy 123 List update (Pages 237 - 262)

Lead Member – Mr Malcolm Price, Portfolio Holder for Regulatory Services, Housing and Commissioning (Central).

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

Contact – Andy Evans (01743 252503)

15 Delegation of Responsibility for the Commissioning and Delivery of Youth Activities within Shrewsbury I to Shrewsbury Town Council and recommendations for Broseley Youth Club (Pages 263 - 272)

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

Report of the Director of Commissioning is attached, marked 15.

Contact – George Candler (01743 255003)

16 Regulation of Investigatory Powers Policy (Pages 273 - 334)

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

Report of the Director of Commissioning is attached, marked 16.

Contact – George Candler (01743 255003)

17 Exclusion of Press and Public

To RESOLVE that in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.2 of the Council's Access to Information Rules, the public and press be excluded during consideration of the remaining items.

18 Exempt Minutes (Pages 335 - 336)

To approve as a correct record the Exempt Minutes of the meeting held on 10th June 2015 attached, marked Exempt 18.

Contact – Penny Chamberlain (01743 252729)

19 Greenacres Day Opportunities - Award of Contract (Pages 337 - 380)

Lead Member – Mr Lee Chapman, Portfolio Holder for Adult Services and Commissioning (South).

Exempt report of the Director of Adult Services is attached, marked Exempt 19.

Contact – Ruth Houghton (01743 253093)

20 Report 1 - Financial Strategy 2015/2016 - Exempt recommendation E and Appendix 4 (Pages 381 - 382)

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

Exempt Recommendation E and Appendix 4 with regard to the report of the Head of Finance, Governance and Assurance is attached, marked Exempt 20.

Contact – James Walton (01743 255001)

This page is intentionally left blank



Committee and Date

Cabinet
29 July 2015

12.30 pm

CABINET

Minutes of the meeting held on 10 June 2015

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

12.30 - 12.50 pm

Responsible Officer: Penny Chamberlain

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

Present

Councillor Keith Barrow (Chairman)

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

17 Apologies for Absence

17.1 An apology for absence had been received from Mr M Owen.

18 Disclosable Pecuniary Interests

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

18.2 For information the Leader advised that he knew persons in the company concerned with item 10 (Brognytyn Hall) but that he had not been involved with the issue at all.

19 Minutes

19.1 RESOLVED:

That subject to the declaration by Simon Jones in Minute 2.2 being amended to read "niece" instead of "daughter" the Minutes of the meeting held on 20 May 2015 be confirmed as a correct record and signed by the Leader.

20 Public Questions

20.1 There were no public questions.

21 Matters Referred from Scrutiny/Council

21.1 There were no matters referred from Scrutiny/Council.

22 Reports of Scrutiny Committees

22.1 There were no reports from Scrutiny Committee.

23 Revenue Outturn 2014/2015

23.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed minutes – which set out the revenue outturn position for Shropshire Council for 2014/2015. A summary was provided of the outturn for each service area with a commentary on the main variations and an outline of how the position had changed since Quarter 3; the movements in the Council's general balance; and the Council's reserves and provisions. The Council's financial position has improved by £0.672m when compared to projections made a Quarter 3 resulting in a net underspend of £0.300m.

23.2 RESOLVED:

- (a) That it be noted that the Outturn for the Revenue Budget for 2014/15 was an underspend of £0.300m, which represented 0.05% of the original gross budget of £578m.
- (b) That it be noted that the level of general balance stood at £15.206m, which was above the anticipated level included within the Financial Strategy.
- (c) That it be noted that the Outturn for the Housing Revenue Account for 2014/15 was an underspend of £0.763m and the level of the Housing Revenue Account reserve stood at £3.076m (2013/14 £2.542m).
- (d) That the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £17.939m in 2014/15 be noted.
- (e) That the level of school balances which stood at £3.957m (2013/14 £5.523m) be noted.

24 Capital Outturn 2014/2015

24.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed minutes – on the final outturn position for the Council's 2014/2015 capital programme and the current position regarding the 2015/2016 to 2017/2018 capital programme taking into account the slippage following the closure of the 2014/2015 programme, and any budget increases/decreases for 2014/2015 and future year.

24.2 During the ensuing discussion a Member expressed concern at the non implementation of various highways schemes in 2014/2015 and comments made to him by residents about the maintenance of roads in the country. In response the Leader indicated that he and the Chief Executive had met yesterday with representatives of Ringway regarding the same matters with another meeting planned in the near future which would hopefully address these concerns.

24.3 RESOLVED:

- (a) That approval be given to the budget variations of £209,067 to the 2014/15 capital programme, detailed in Appendix 1/Table 1 and the re-profiled 2014/15 capital budget of £66.4m.

- (b) That approval be given to the re-profiled capital budgets of £66.6m for 2015/16, including slippage of £12.1m from 2014/15, £34.6m for 2016/17 and £27.5m for 2017/18 as detailed in Appendix 1/Table 4.
- (c) That the outturn expenditure set out in appendix 1 of £54.2m, representing 81.7% of the revised capital budget for 2014/15 be accepted.
- (d) That approval be given to retaining a balance of capital receipts set aside of £14.1m as at 31st March 2015 to generate a Minimum Revenue Provision saving of £564,000 in 2015/16.

25 Treasury Management Update - Quarter 4 2014/2015

25.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed minutes – on the treasury management activities of the Council in the last quarter of 2014/2015. It highlighted the economic environment in which treasury management decisions had been made and the interest rate forecasts of the Council's Treasury Advisor, Capita Asset Services. It also updated Cabinet on the internal treasury team's performance.

25.2 RESOLVED:

That the position set out in the report of the Head of Finance, Governance and Assurance be accepted.

26 Community Infrastructure Levy: Brogyntyn Hall - Exceptional Circumstances Relief

26.1 The Portfolio Holder for Regulatory Services, Housing and Commissioning (Central) presented a report by the Director of Commissioning – copy attached to the signed minutes – on an application for Exceptional Circumstances Relief for the majority of the CIL Liability associated with application number 14/03184/FUL for conservation work to the grade 2* listed Brogyntyn Hall, the conversion of associated buildings into 11 residential units; and enabling development of 50 dwellings within the grounds of the hall.

26.2 RESOLVED:

That, subject to final completion of an appropriate S106 legal agreement (currently agreed in principle) approval be given to:

- (a) 100% Exceptional Circumstances Relief from CIL for restoration works to Brogyntyn Hall; and
- (b) Exceptional Circumstances Relief from CIL for all but £10,000 for enabling development associated with the above scheme.

27 Quarter 4 Performance Report 2014/2015

27.1 The Portfolio Holder for Performance presented a report by the Performance Manager – copy attached to the signed minutes – on the performance of the Council during the last quarter of 2014/2015 together with a view of the year in comparison with 2013/2014. He indicated that further consideration would be given to the matter by the Performance Management Scrutiny Committee at their meeting on Monday, 15th June 2015.

27.2 RESOLVED:

That the key underlying and emerging issues in the report of the Performance Manager and accompanying appendices be noted.

28 ip&e Annual Business Plan

28.1 Further to Cabinet on 20th May 2015 the Portfolio Holder for Business, ip&e, Culture and Commissioning (North) presented a report by the Chief Executive – copy attached to the signed Minutes – on an updated version of ip&e Ltd's Annual Business Plan which set out the company's vision, mission and principal business activities for the three year period from April 2015 to March 2018. (Minute 30 below also refers.)

28.1 RESOLVED:

That the revised ip&e Ltd Annual Business Plan 2015 to 2018 be approved and the implications of this be incorporated into the Council's next refresh of its Business Plan and Financial Strategy.

29 Exclusion of Press and Public

29.1 RESOLVED:

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

30 ip&e Annual Business Plan

30.1 The Portfolio Holder for Business, ip&e, Culture and Commissioning (North) referred to the consideration of the report by the Chief Executive earlier in the meeting (Minute 28 refers) and re-endorsed approval of the revised ip&e Ltd Annual Business Plan.

30.2 RESOLVED:

That the revised ip&e Ltd Annual Business Plan 2015 to 2018 be approved and the implications of this be incorporated into the Council's next refresh of its Business Plan and Financial Strategy.

31 Exempt Minutes

31.2 RESOLVED:

That the Exempt Minutes of the Cabinet meeting held on 20 May 2015 be approved and signed as a correct record by the Leader.

32 Battlefield Energy Recovery Facility

32.1 The Portfolio Holder for Business, ip&e, Culture and Commissioning (North) presented a report by the Director of Commissioning – copy attached to the exempt signed minutes – on contractual implications arising from the extended planning process to secure permission for the Battlefield Energy Recovery Facility.

32.2 **RESOLVED:**
That the three recommendations set out in the exempt report of the Director of Commissioning be approved.

(The full version of Minute 32 constitutes exempt information under category 3 of Paragraph 10.4 of the Council's Access to Information Rules and have accordingly been with-held from publication.)

Signed (Chairman)

Date:

This page is intentionally left blank



Committee and date
Cabinet
29 July 2015
12.30 pm

Item No

6

Report of the Empty Homes Strategy Task and Finish Group

Responsible Officer: Karen Collier – Operations Manager, Health & Community Protection

Email: Karen.collier@shropshire.gov.uk

Telephone: 01743 251711

1. Summary

- 1.1 This paper presents the final report of the Empty Homes Strategy Task and Finish Group. The work of the Group has focused on the aims and objectives of the Empty Homes Strategy, how the Empty Homes Team works and is funded, and how additional funding and staff resource could be utilised to further Empty Homes work and what this would achieve for the Council and Shropshire communities.
- 1.2 The Empty Homes Strategy 2014 – 2017 was adopted in November 2014 and is currently being worked to. The remit of the Task & Finish Group was to consider current empty homes statistics, and how the Strategy could be enabled to be more ambitious in the future in order to further reduce the number of empty homes in the county.
- 1.3 The Task and Finish Group has developed its conclusions and recommendations based on the evidence gathered through its work.

2. Recommendations

- 2.1 Members are asked to consider and approve the report recommendations which are:
 1. The Empty Homes Team continues to work in accordance with the current Empty Homes Strategy.
 2. A data sharing agreement is produced and put in place within one month to allow the Empty Homes Officers read only access to the Council Tax system.
 3. The Council Tax Team should, on receipt of investigation/case evidence from Empty Homes Officers that a property is empty or incorrectly registered, update property records to reflect this. This will ensure properties are correctly registered and being charged accordingly. Council Tax should inform the Empty Homes Team of the type of evidence they require in order to be able to do this.

4. The Empty Homes Officers are enabled to utilise appropriate enforcement action when necessary in order to return empty properties to use, either in partnership with the Planning team, or by having these powers delegated to them.
5. The Task & Finish group considers that both additional funding and staff resource in the Empty Homes Team would be of significant benefit to both the Council and Shropshire communities. It is therefore recommended that a business case is produced, to be considered by Cabinet on an agreed date, detailing the level of additional funding required to deliver a more widespread and comprehensive approach to Empty Homes work. This should include the additional staffing resource required to carry out the tasks identified in the report's findings, and budget required to be able to effectively utilise enforcement powers, including works in default. It should highlight the positive benefits these measures could have for the Council and Shropshire Communities.

3. Report

- 3.1 The Report of the Empty Homes Strategy Task and Finish Group is attached as Appendix A
- 3.2 The Empty Homes Strategy 2014 – 2017 is attached as Appendix B

4. Risk Assessment and Opportunities Appraisal

- 4.1 There are no identified issues relating to Risk Management, Human Rights or community associated with this report.

5. Financial Implications

Accurate identification and reporting of empty homes has positive financial implications for the Council in two main forms. Firstly through New Homes Bonus, the central government grant paid to local authorities for newly created or returned to use units of housing. Secondly through Council Tax, in terms of ensuring that properties are correctly registered and therefore paying the right level of council tax e.g. properties empty for longer than two years should be paying 150% council tax, but are not always correctly registered. Empty homes work contributes significantly to ensuring these sources of income are maximised through both its case work and data management.

Background Papers

- Empty Homes Strategy Task & Finish Group Scoping document
- Empty Homes Strategy Task and Finish Group Minutes: 26th February, 4th March, 18th March

Cabinet Member/s

Portfolio Holder for Regulatory Services, Housing and Commissioning (Central)

- Councillor M Price

Local Member/s

All

Appendices

Appendix A – The report of the Empty Homes Task and Finish Group

Appendix B – Empty Homes Strategy 2014 – 2017

APPENDIX A



**Enterprise & Growth Scrutiny
Committee**

**Report of the Empty Homes Strategy
Task and Finish Group**

June 2015

Acknowledgments

We would like to thank all those who have answered our questions and queries: Officers of the Council who have supported us in our work and those who have answered our questions and provided us with information.

We were very impressed with the knowledge and commitment of those who have spoken to us and we were particularly pleased to have been able to be involved in this process.

Members of the Task and Finish Group:

Councillor Steve Davenport [Chairman]
Councillor Roger Hughes [Vice Chairman]
Councillor Andy Boddington
Councillor Pauline Dee
Councillor David Turner

Report

Introduction

This report sets out the findings of the Empty Homes Strategy Task and Finish Group and subsequent recommendations for the integration of these findings into the work of the Empty Homes Team, and future Empty Homes Strategies.

Background

The Enterprise & Growth Scrutiny Committee recognises the importance of returning empty property to use and its contribution to the Council's strategic objectives and outcomes, specifically those relating to good quality affordable housing, town centre regeneration, economic growth and sustainable communities. The Empty Homes Strategy 2014 – 2017 is an important contributor to delivering and achieving targets against these key priorities. It is also a key delivery mechanism for several income streams into the Council, primarily New Homes Bonus. For these reasons the Task & Finish Group was established to explore how empty homes work in Shropshire can be further enabled and strengthened.

The main aims of the Empty Homes Strategy are to reduce the significant negative impact empty property has on communities and their surrounding areas, contribute to the supply of affordable and decent housing in Shropshire and support the regeneration and economic growth of town centres.

To ensure the Strategy is as effective as possible it is renewed every three years, however monitoring and reviewing of the content and targets takes place periodically to ensure it is up to date and reflects both the work taking place and available resource.

Scope and focus of the work

At its meeting on 9th December 2014, the Enterprise and Growth Scrutiny Committee established an Empty Homes Strategy Task and Finish Group to investigate and address whether the current Empty Homes Strategy is ambitious enough in its aims and targets in order to effectively tackle and reduce the number of empty homes in the county.

Three main objectives were established to achieve this:

1. To understand the national and local context of empty homes and how the Empty Homes Team work in Shropshire.
2. To understand how the primary funding stream for empty homes work, New Homes Bonus, is generated and allocated to the Council and empty homes work, and what benefits this delivers for the Council and Shropshire Communities.
3. To understand how additional funding could be utilised to further the work of the Empty Homes Team and what value the additional funding would achieve for the Council and Shropshire Communities.

What has the Task and Finish Group done?

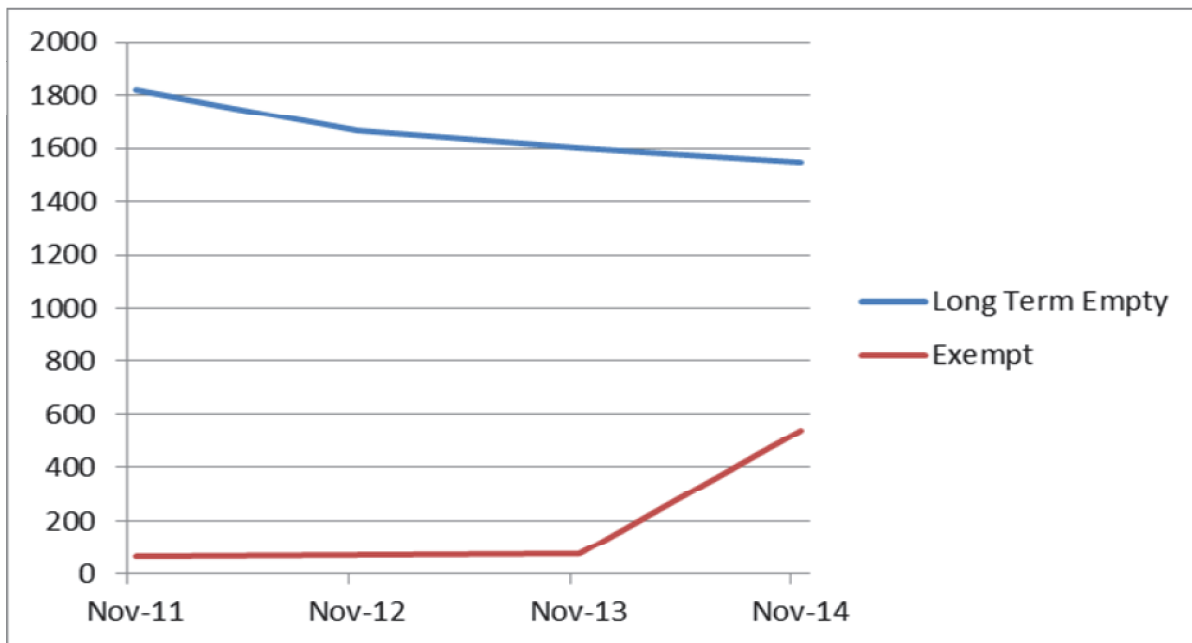
The Task and Finish Group has met four times over a period of four months. The Group has:

1. Received a detailed presentation from the Empty Homes Team, defining their work, how it takes place and the impact it has. This included a summary of current empty homes statistics, targets, funding and feedback from previous Empty Property Incentive Grant recipients on how the grants enabled the return to use of their properties.
2. Reviewed the statistics relating to empty homes in Shropshire from various published sources and considered their accuracy in comparison to the data held by the Empty Homes Team, and other teams within the Council.
3. Examined the importance of the relationship between the Empty Homes Team and Council Tax in terms of data and information sharing, and heard from the Revenues and Benefits Service Manager and Information Governance Officer on this. A request for information was made of other local authorities, through an online Empty Homes Forum and the West Midlands Empty Property Officer Group, as to what arrangements they have in place for sharing and accessing Council Tax data for the purposes of empty homes work.
4. Discussed specific high profile cases raised by Members where there has been a long running issue with an empty property, progress has been slow or difficult and the reasons behind this, and how cases like this could be more effectively progressed.
5. Considered in detail how empty homes work is funded, the funds empty homes work brings in to the Council in terms of New Homes Bonus and Council Tax, and how additional funding resource could further the benefits currently being experienced in the county's Empty Homes Action Zones.
6. Considered the targets currently included in the Empty Homes Strategy in comparison to the current resources and against the targets of other similar local authorities. Further to this the group explored how the targets could be increased through increasing the resource in the team and the type of activities extra resource could carry out to ensure maximum return for the funding invested in empty homes work.

Findings

The Empty Homes Strategy Task and Finish Group found the following:

1. One of the original concerns leading to Scrutiny consideration of the Empty Homes Strategy 2014-2017 was the perceived increasing number of empty homes in Shropshire in comparison to some nationally reported statistics. It has been found that several organisations, websites and groups publish empty homes statistics, using various sources for their data. Some of these have been shown to be inaccurate or out of date. According to Shropshire Council data there are currently 1592 properties registered as long term empty, and 491 empty properties which are exempt from paying Council Tax in Shropshire (April 2015). The below graph shows empty homes in Shropshire according to Shropshire Council Tax Data. There is a general downward annual trend in the overall number of long term empty properties registered as empty with Council Tax, from November 2013 – November 2014 there was a 14% reduction.



The group found that the Empty Homes Team is largely dependent on Council Tax data as their main source of monitoring and reporting as it is the most accurate data source held by the authority. It was however noted that between November 2013 and November 2014 there was a dramatic increase in the number of empty homes exempt from paying Council Tax. It was found that this was due to the Empty Homes Team not being supplied with a list of all of the properties in this group by the Council Tax Team in their monthly report. No properties empty due to the owners being in hospital and residential care or those going through probate were being included. Due to the nature and demography of Shropshire, there are a significant number of properties of this nature in the County. Once it was requested that these properties were included in the monthly report the numbers of exempt properties has remained consistent. Accurate data was requested for previous years; however the Council Tax system was not able to supply this. The group is however confident that there has not been a significant increase in the number of empty exempt properties in real terms.

2. Empty Property Incentive Grants are often central to the viability of returning a property to use, particularly with very large or rundown buildings. Feedback from grant recipients

demonstrated that several projects would not have been viable without the input of the Empty Homes Team, and provision of a grant. These projects have enabled the return to use of prominent long term empty properties which would still stand empty, but now provide affordable accommodation for local people in town centres.

The below example is 16 High Street in Market Drayton, an ex-bank and then nightclub this property was in extremely poor condition internally and externally. A prominent property on the High Street it was having a significant detrimental impact on its surroundings and was a cause for concern for the local community. The Empty Homes Team worked in partnership with Wrekin Housing Trust and provided a grant contribution to return this property to use as six affordable housing units. It is now fully occupied, providing good quality housing for local people in the town centre. The owner of the next door property, 17 High Street, also received an Empty Property Incentive Grant to return it to use as three affordable flats. The impact of this work on the High Street in Market Drayton has been significant and vastly improved its appearance, contributing to the regeneration of the town as well as providing much needed housing.



3. Shropshire's empty homes performance is in line with, or better than, other comparable authorities. In 2013/14 Shropshire returned 180 empty properties to use according to the New Homes Bonus report for the year. This is relatively high in comparison to other similar counties such as Herefordshire who returned 152 to use or Cornwall who returned 82.

4. Council Tax data is the primary source of information for empty homes work and is integral to case work and investigations. It is also the only official data used to report on the number of properties returned to use in order to determine the empty homes

Authority	Returned to Use 2013/14 (according to NHB allocation)
Shropshire	180
Herefordshire	152
Cornwall	82
Telford & Wrekin	68
Birmingham	- 165

contribution to the Council's New Homes Bonus allocation. It is therefore crucial for Officers to have timely access to the data and for the data to be as up to date and accurate as possible. The impact of errors in the data being provided can be seen in the mis-reporting of exempt properties as shown above. This could mean that empty homes are going un-noticed and being overlooked when the Empty Homes Team could be assisting their return to use.

The Empty Homes Team and Council Tax currently work well together, however there are some methods which could be employed to improve the speed and accuracy of information provided to Officers. This would save time for both Council Tax Officers and Empty Homes Officers and be a more effective way of working for both.

It was found that of the 25 authorities who responded to the request for information all have provided direct access to Council Tax systems for Empty Homes Officers, in accordance with provisions in the Housing Act 2004 and Local Government Act 2003. This access ranged from read only access, so information on addresses could be searched for, to full access where Empty Homes Officers were able to update the Council Tax system with information gained through the course of their investigations.

Some, but not all, had required a data protection agreement to be signed to allow this access. All of the responses highlighted the importance of this access to their work, how it had made their processes much quicker and allowed them to be much more effective.

Following the provision of this information, the Task & Finish group agreed that access to the Council Tax system should be provided to Empty Homes Officers. The Information Governance Officer and Revenues and Benefits Service Manager were requested to draw up a data sharing agreement to this effect, and the Empty Homes Officers supplied detailed information relating to the reasons they would need to access the council tax system in order to inform the details of the agreement.

5. Empty homes work often identifies properties which are not registered as empty with Council Tax but investigations have shown them to be unoccupied. This may be a mistake on the owner's part, but there are situations where this is done intentionally to

avoid a higher Council Tax charge. There are also instances where empty property owners wrongly claim a Council Tax discount when they should be paying the empty property premium of 150%. In some instances this could mean owners are paying up to 75% less Council tax annually than they are required to. All of these circumstances represent a loss of income to the Council.

Council Tax is informed of these cases when they arise, and provided with evidence. Council Tax records are not however generally updated following this to register the property as empty, this means that the property may not be being charged the correct level of Council Tax, and a potential source of income to the Council is being lost.

6. Funding for empty homes work, specifically Empty Property Incentive Grants, is provided through Shropshire Council's annual New Homes Bonus allocation. New Homes Bonus is a central government grant calculated from a snapshot of Council Tax data on a specific date each year. The amount of grant allocated is based on the amount of extra tax revenue raised from new build homes, conversions and empty properties brought back into use. For each new unit of housing New Homes Bonus is paid for 6 years. New Homes Bonus is not ring fenced – the Empty Homes Team currently bid internally for funding on a bi-annual basis.

For the year 2015-2016 Shropshire Council's total New Homes Bonus award was £7,353,179. In total 1,049 units of housing contributed to the New Homes Bonus payment and of those 180 (17%) were empty homes returned to use. 17% of the total funding for the year would have been £1,250,040. These 180 properties include those which naturally return to use without any intervention. However a significant proportion of these properties were returned to use with the involvement of the Team.

In 2014/15, 85 homes were returned to use and 12 residential units created through direct intervention from the Empty Homes Team. On average, for a Council Tax band C property, the New Home Bonus payment for its return to use or creation would be c.£9,500 (£130/month x 12months x 6years). Based on these averages it is estimated that empty homes work generated in the region of £600,000 - £800,000 in New Homes Bonus for the Council in 2014/15.

The funding for empty homes grants in 2014/15 was £250,000, therefore the investment in Empty Homes work more than pays for itself, both in terms of income generated and the additional social and economic benefits of properties no longer standing empty. The estimated New Homes Bonus generated by empty homes returned to use in 2014/15 could have funded in the region of five Empty Homes Action Zones as opposed to one, which would have allowed a more widespread approach to incentivising the return to use of empty homes throughout the county.

There are also other potential sources of funding for Empty Homes work. In April 2014, following amendments to the Council Tax (England) Regulations in 2013, the Council introduced a 50% empty homes premium in respect of property that had been empty for more than two years, meaning these properties now pay 150% council tax. This premium generated an additional £265,664 of revenue for the Council in 2014/15, which was paid into the Council's overall collection fund.

7. There are alternative courses of action which can be considered for returning empty homes to use other than incentivising through grant funding, primarily enforcement.

Section 215 of the Town & Country Planning Act 1990 specifically is an important tool for empty homes work; it addresses the negative impact empty property can have on its surrounding area, and provides local authorities the power to require works to be done by the owner to rectify this. If the owner does not act there is then the option to carry out works in default or prosecute for non compliance with the notice.

At present the Empty Homes Team do not have delegated powers to utilise this legislation, the authority currently sits with Planning. Specific problematic cases were considered by the group, and it was found that it can be difficult to them forward without the ability to utilise this legislation. If an owner won't take action once informal options have been exhausted there are then limited routes for the Team to consider, and some cases can become 'stuck'. It was found that whilst careful consideration has to be given to the use of any enforcement action, and it should be a last resort, there are several current cases where this would be an invaluable tool for the Empty Homes Team to utilise in order progress some of the most problematic and long term cases.

8. Members, community groups, Town and Parish Councils and other local groups provide an invaluable source of information and connection to local areas. Developing and maintaining a good working relationship with these groups, in areas other than the Empty Homes Action Zones, is an important facet of empty homes work which requires development. Currently there is not enough resource within the Team to do this effectively on a proactive basis.
9. There are currently 1.5 FTE equivalent Officers in the Empty Homes Team. In 2014/15 the return to use target was 75 and the target for new dwellings created from empty property was 10. These targets were well exceeded with 85 properties returned to use through direct intervention from the Team, and 12 units created. In comparison Herefordshire Council (a county similar in terms of size and geography) had a target of 40 long term empty properties returned to use for the year.

Whilst the Team's targets already increase gradually on an annual basis, it was found that there are several ways these targets could be further increased. This would however be dependent on additional staffing resource in the Team to carry out essential tasks which could significantly increase the number of empty properties being identified and targeted.

The Empty Homes Team holds a database of empty property in the County. This includes all properties registered as empty for Council Tax purposes, and those which are not registered empty but are unoccupied, which the Team have been informed of in another way.

It is crucial that this database is managed on an on-going basis with full data cleansing exercises taking place regularly. At present the Team's resource is taken up with case work and Empty Homes Action Zones, and this is not an activity they are able to perform as often as necessary. The major benefit of this data cleansing function is the possibility of identifying properties which have 'slipped through the net'. Properties which may have returned to use but the owners have not informed the Team and Council Tax are also unaware. These properties could be included in the annual New Homes Bonus calculation, and therefore could be providing an income. Considering the potential payment of New Homes Bonus for one Council Tax band C property is c. £9,500, this exercise has the potential to be largely self funding in terms of cost of staff resource.

Additional staffing resource would also present an important opportunity for more early intervention and preventative work. As per the Empty Homes Strategy all cases are RAG rated according to their severity. This means that the Team deal first with those cases which present the biggest risk in terms of the property itself and the impact it is having on the surrounding area. With limited resource this means that properties with a lower RAG score are less likely to be worked on, unless they deteriorate and their RAG score increases. Additional staff resource would enable more work to be done on these less serious cases, preventing them from becoming more problematic in the long term.

There is also the opportunity to develop the more informal side to empty homes work, including providing information and advice to property owners and developing the Team's relationship with Town and Parish Councils, community organisations and other groups such as housing associations. At present this happens on an ad hoc basis when the Team are approached and when resource allows. However it is recognised that there is a great deal of potential in developing these relationships in terms of local knowledge and information in order to move cases forward more quickly. Through Empty Homes Action Zones the Team have already demonstrated how important the links with local groups is in terms of carrying out efficient and effective work. This is an approach which could be employed on a more widespread basis with the benefit of additional resource.

Recommendations

These recommendations are made in order to facilitate achievement of the Task & Finish group's main objectives, specifically: enabling future Empty Homes targets to be more ambitious, for a greater number of empty homes to be returned to use annually, for a higher level of income to be generated for the Council through empty homes work and to maximise the benefit of empty homes work in Shropshire communities.

1. The Empty Homes Team continues to work in accordance with the current Empty Homes Strategy.
2. A data sharing agreement is produced and put in place within one month to allow the Empty Homes Officers read only access to the Council Tax system.
3. The Council Tax Team should, on receipt of investigation/case evidence from Empty Homes Officers that a property is empty or incorrectly registered, update property records to reflect this. This will ensure properties are correctly registered and being charged accordingly. Council Tax should inform the Empty Homes Team of the type of evidence they require in order to be able to do this.
4. The Empty Homes Officers are enabled to utilise appropriate enforcement action when necessary in order to return empty properties to use, either in partnership with the Planning team, or by having these powers delegated to them.
5. The Task & Finish group considers that both additional funding and staff resource in the Empty Homes Team would be of significant benefit to both the Council and Shropshire communities. It is therefore recommended that a business case is produced, to be considered by Cabinet on an agreed date, detailing the level of additional funding required to deliver a more widespread and comprehensive approach to Empty Homes work. This should include the additional staffing resource required to carry out the tasks identified in the reports findings, and budget required to be able to effectively utilise enforcement powers, including works in default. It should highlight the positive benefits these measures could have for the Council and Shropshire Communities.



Empty Homes Strategy

2014 - 2017

Contents

Foreword	2	For the Local Community	6	Achievements.....	10
		For the Wider Community	6	Joint Working	10
1. Introduction	3	4. Options for Owners	7	6. Monitoring & Review	11
National Context.....	3	Information, Advice & Guidance	7	Monitoring Targets.....	11
Local Context	3	Financial Assistance	7	Reviewing the Strategy.....	11
Priorities & Objectives	3	Enforcement Action	7		
2. What is an empty home?	4	5. Shropshire Council’s		7. Further Information	11
Why are homes empty?.....	4	Approach	8	Where to Find Additional Information	
Challenges Presented by Empty		Investigation.....	8	on Empty Property	12
Property	4	Reported Cases.....	9		
3. Why do Empty Homes		Empty Home Action Zones (EHAZ)	9	8. How you can help	12
Matter?	5	RAG (Red, Amber, Green) Rating		Owners	12
For Owners	6	System	9	Members of the Public.....	12

Empty Homes Strategy

2014 – 2017

Foreword by Cllr Mal Price – Portfolio Holder for Housing



Welcome to Shropshire Council’s 2014 - 2017 Empty Homes Strategy. This Strategy sets out how the Council will tackle issues surrounding empty properties over the next three years and maximise the re-use of empty homes throughout the County.

Shropshire Council continues to be committed to reducing the number of empty homes within the County, and to facilitating and assisting the creation of good quality and affordable accommodation for local people.

Shropshire is fortunate in that it does not have streets of derelict and boarded up empty properties, as can be found in other areas of the country. However, there is a shortage of housing and as such it is necessary to make the best use of the County’s existing housing stock, ensuring a supply of good quality homes for people to rent or buy.

The aims and objectives of the Strategy can only be achieved by working closely with internal and external partners and other key

stakeholders, such as property owners and local communities. Attracting a mixed source of further finances to drive forward our empty homes agenda is essential.

The reasons properties become or stay empty are varied and plentiful, and the skills required to resolve the issues are significant and diverse. Much of the work outlined in the strategy is already underway and producing tangible results, and I am sure that the Strategy will prove to be an investment to be proud of.

We hope this Strategy will support others to work with us to deliver our objective of creating new homes for people. Communities, owners of empty property and other stakeholders are strongly encouraged to contact the Empty Homes Team for help or advice, and with any information about empty property in their area. Together we can help to make Shropshire a better place to live, work and visit.

1. Introduction

This Strategy aims to give an understanding of the issues of empty property and how it impacts on local areas. It looks at why properties become empty, what advice and assistance is available to empty property owners, and how the Council uses the range of powers available to it to return empty properties to use.

Shropshire Council aims to enable better use of all properties in the county, both residential and commercial, that may be underutilised and able to contribute to the supply of housing in the county.

It is anticipated that the employment of this Strategy will help to build and develop the level of skill and expertise needed to effectively bring empty properties back into use, using a linked approach throughout the Council and other organisations.

National Context

Empty Homes are a national issue and, according to the Empty Homes Agency, there were around 710,000 empty homes recorded in England in 2012. Of these almost 260,000 had been empty for over six months and were classified as long term empty properties. #

Over recent years the government has recognised and prioritised the issue of empty properties, and is committed to getting empty homes back into use to contribute towards meeting housing need.

Local Context

In 2012 just under 3.5% of homes in Shropshire were empty. The number of registered empty properties was over 4,600 with over 1,700 of these being empty over six months and classified as long term empty properties. #

The vast majority of these properties are privately owned and are dispersed throughout the urban, semi-rural and rural areas of the county. The distribution of empty properties within Shropshire can be seen on the area map in Appendix 1.

Statistics taken from the Empty Homes website [Empty Homes Statistics](#)

During the period of the 2010 – 2013 Empty Homes Strategy the figures for returning empty homes to use through Shropshire Council involvement were:

Year 1 (2010/11) – 65
Year 2 (2011/12) – 94
Year 3 (2012/13) – 74

Priorities & Objectives

- Maximise the re-use of empty homes
- Reduce the number of long term empty homes in Shropshire
- Provide good quality affordable housing for local people and reduce homelessness

- Support economic growth within the County
- Support area regeneration programmes
- Assist in meeting Housing Need
- Support other Strategies within Shropshire Council (see Section 7)
- Increase public and organisational understanding of empty homes across Shropshire

2. What is an empty home?

A property is considered to be Long Term Empty if it has been unoccupied for 6 months or longer. Privately owned long term empty properties are the focus of this strategy, but concerns will be highlighted to Public Bodies and Housing Associations (Registered Providers) where an empty property they own requires attention.

A True Empty Home: Not all empty properties are located in run-down

areas, nor are they necessarily semi-derelict, boarded up or causing a problem. There are a large number of properties which naturally become empty for periods of time, perhaps due to the buying and selling process, being between tenants or when an owner passes away and the probate process delays moving the property on.

When a property remains empty for a significant period of time, or is attracting unwanted attention, then it would be considered a “problematic empty property”.

Unused non-residential space:

There are a number of non-residential buildings which have the potential to provide residential accommodation. Sometimes it can be a whole building which is no longer feasible for its previous use, or most often, under-utilised upper floors of buildings where the ground/lower floors are used as shops.

Why are homes empty?

There are a number of reasons why properties become empty, including:

- the property is difficult to sell or let
- it is being renovated
- the owner does not have the finances/time/skills to manage the property
- the property has been repossessed
- probate issues
- the owner is being cared for elsewhere/is in hospital

It is important that the Council understand why individual properties become and/or remain empty so we can work with the owners in the most appropriate way.

Challenges Presented by Empty Property

Dealing with an empty property is not always straightforward. A property may be used as a second home, and so not occupied on a permanent basis, but is in use. It may be that non-residential space such as that often found above

shops is being used for storage or other business related matters and although not immediately obvious it is in use.

There may be properties awaiting planning permissions and work is unable to commence whilst this is being sought. A number of these may include specialist permissions if they are a Listed Building or located in a Conservation Area.

Ownership Issues: A property may be owned by a number of different people or companies. The property may be subject to legal proceedings such as probate, divorce settlements or proceeds of crime restrictions.

Land Registry Issues: Although it is now compulsory in England to register any property which changes ownership or has a mortgage taken out against it for the first time, this was not the case in Shropshire until 1 January 1990 (1 April 1986 for the former district of Bridgnorth) [#]. Properties which have not changed ownership since that time may not be registered with the Land

Registry and information regarding the property will not be available from this source.

[#] Information gained from [Land Registry Figures](#)
Absentee Owner: It may not be immediately evident who the owner of a property is or where they are, as they may have moved away with little information available to trace them.

Intentional Empties: Some properties are deliberately kept empty by the owner for specific reasons such as for their children when they leave home or elderly relatives who are in care.

Some are kept empty until the owner feels the housing market is suitable to sell the property at the price they want.

Some owners are reluctant to engage with the Council and believe that as the property is privately owned the Council do not have the right to require action to return it to use. They may be unaware, or have no concern for, the affect the property has on the local area and surrounding properties. These are properties which are likely to

be left empty for many years and fall into disrepair.

3. Why do Empty Homes Matter?

Returning empty homes to use can have a number of positive effects, addressing social, economic and wider public health issues.

In Shropshire there are currently 5,286 households on the housing register for affordable housing (September 2014). Approximately 35% of these households have limited opportunities to access social housing. Increasing the amount of affordable housing available through returning empty property to use can help to start addressing the lack of suitable properties for these households.

For Owners

Leaving a property standing empty can become costly and be a source of unnecessary anxiety.

There is an increased risk of vandalism and crime and the property can be difficult to insure, which could result in high repair costs or even mean a complete loss of asset.

Even the general deterioration of an unlive in property will result in costs, due to works necessary to enable the property to be brought back up to current Housing Standards (See Appendix 2).

By renting or selling the property not only are the above issues resolved but there is the added advantage of gaining regular rental income or the capital from the sale of the property.

For the Local Community

Empty properties can have a direct impact on adjoining properties through

issues such as damp and structural problems.

Alongside this, unsightly properties can have a detrimental effect on neighbouring house prices and can also result in a lack of pride in the area.

The possibility of empty properties attracting unwanted attention can also cause anxiety and concern for local residents.

Returning empty properties to use can help eliminate these issues and ensure that house prices in the neighbourhood are protected from preventable reductions.

Improving an area can also encourage investment in the local economy and a return of any lost pride in the community created by empty properties.

Shropshire Council's work in our Empty Homes Action Zones (EHAZ) is intended to assist in regenerating local areas by complementing other work in each community, such as town centre

regeneration and economic development projects.

By returning empty properties to use homes can be provided for local people enabling them to remain close to schools, employment and support networks.

Creating new housing in town centres from under-utilised space provides additional accommodation to help reduce the number of those in housing need, whilst improving the visual aspect of the town centre.

A number of housing units have been created and returned to use through Empty Property Incentive Grants in the town centres of the Empty Home Action Zones already in place in Market Drayton and Oswestry. See Appendix 3 for case studies of these grants.

For the Wider Community

Empty properties returned to use as domestic dwellings increase the

availability of homes in the county, including potentially affordable homes.

Instead of being a source of concern these homes can be transformed from a wasted resource into a home for an individual or family in housing need. There are many individuals and families across the county in housing need and the utilisation of empty properties could prevent some of these people from facing issues such as homelessness and overcrowding, or provide a first home for a local person.

4. Options for Owners

Empty homes can be brought back into residential use through a wide range of approaches, each being tailored to the specifics of each case.

These may include selling the property, either privately or to a Housing

Association, letting the property at open market or affordable rent, or leasing the property to a Housing Association.

Information, Advice & Guidance

Shropshire Council provides information and advice to owners of empty properties to help identify the best options for them and their property. We can also give guidance on how to proceed with the different options to ensure the best outcome. For example, advice on how to present an empty property to prospective purchasers, information on VAT relief for renovating an empty property (Appendix 4) or assistance with finding tenants.

Financial Assistance

There is some financial assistance available to owners of empty properties through the Council in our Empty Homes Action Zones (details of current schemes are given in Section 5).

Owners will also be signposted to external funding schemes which are not directly run by the Council where they are available.

Enforcement Action

There is a range of legislative powers available to the Council to deal with immediate and specific issues such as vermin, nuisance, fly tipping and insecure or dangerous buildings (Appendix 6). There are also further powers which can be used to deal with empty properties in the longer term.

Town & Country Planning Act 1990 Section 215: In certain circumstances an owner can be required to take steps to ensure the condition of their property and/or land does not adversely affect the amenity of an area.

Empty Dwelling Management Order (EDMO): Powers introduced in the Housing Act 2004 allow Local Authorities to apply for an Interim Management Order where the owner cannot demonstrate efforts or plans to

return the property to use. This Interim Order gives the Council management of the property for a period of one year, although the Council cannot let the property during that time without the consent of the owner.

During this time other measures to return the property to use should still be explored with the owner, but should these be unsuccessful a Final Empty Dwelling Management Order can be applied for.

A Final EDMO enables the Council to carry out any works to the property necessary to make it habitable and let the property, using the rent to pay for the works carried out and any management costs. This Order can last up to seven years.

There are certain exemptions from EDMOs where the above would not be applicable.

Enforced Sale: Under the Law of Property Act 1925, the Local Authority can force the sale of a property where there is an outstanding debt owed to

the Council which has been registered against the title of a property. This debt may have arisen as a result of works in default, where a Statutory Notice has not been complied with, or a Court imposed charging order has been placed on the property for Council Tax debt. This process can only be halted by the debt being paid to the Council before the forced sale is completed.

Compulsory Purchase Order: Under Section 17 of the Housing Act 1985 the Local Authority has the power to serve a Compulsory Purchase Order on an empty property where the owner has made little or no effort to return the property to use.

It must be demonstrated that steps have been taken to encourage the owner to bring the property back into occupation and that there is no other chance of the property being occupied.

This power allows the Council to purchase the property from the owner to dispose of as they see fit.

A CPO can be costly and take a long time and consideration needs to be given to the pros and cons before its use.

5. Shropshire Council's Approach

Empty properties are identified through various methods, primarily using Council Tax data and via reports to the Empty Homes Officers regarding individual properties.

Investigation

All empty properties identified will be investigated. Owners will be traced and contacted with the intention of gaining an understanding of the circumstances surrounding the property being empty. The process followed after this will vary depending on whether the property is a reported case or identified as part of work in one of our Empty Homes Action Zones.

Reported Cases

Our intention is to work with owners and encourage them to return their empty properties to use. We will provide information and offer advice and support to enable them to progress to an outcome satisfactory to themselves, the Council and the community.

Where available we will offer financial assistance directly from the Council and in other instances signpost owners to other schemes that may be running through other organisations, primarily the National Empty Homes Loans Fund (Appendix 5) of which Shropshire Council is a Scheme Member.

Shropshire Council aims to bring all empty homes back into use with the cooperation of the owners, but where they are unwilling and the property is either creating a specific problem within its locality, or would meet a particular housing need, the use of enforcement powers will be considered (see section 4 and Appendix 6).

Empty Home Action Zones (EHAZ)

Our EHAZs are designated areas chosen for their high concentration of empty property in conjunction with a high level of housing need.

In the Empty Home Action Zones we proactively contact owners of empty property to encourage and support them to return it to use. We provide advice and support to help owners find the best way of bringing their property back into use.

The Council also offers financial assistance in EHAZs by way of Empty Property Incentive Grants to help towards the cost of bringing empty properties up to the current Housing Standard, and create dwellings in underutilised spaces such those above shops and in other commercial premises.

The aim of our EHAZs is to not only return empty properties to use and create further dwellings but to also

support work to bring about the regeneration of the area.

The Council is making provisions to provide opportunities for training and employment through the work in the EHAZs. Through the funded projects we are facilitating apprenticeships and work placements as well as employment opportunities for local people.

To ensure our work is successful in the EHAZs, should negotiation with owners not result in a positive outcome, enforcement options will be considered.

RAG (Red, Amber, Green) Rating System

Each empty property case, whether situated in an EHAZ or not, will be assessed using a scoring sheet which considers various criteria. The result of this assessment is that the property is placed into a category which defines its priority level (Red being the most urgent and Green the least) and the subsequent action to be taken.

Properties will be reassessed when necessary to ensure they are in the most appropriate category and the correct level of priority is given.

A property will be prioritised under the following two criteria:

- Does it fall within an Empty Homes Action Zone (EHAZ)?
- How it is rated within our Red, Amber, Green (RAG) rating system (Appendix 7)

Achievements

Since April 2013 there have been two EHAZs, one in Market Drayton and one in Oswestry, with work still underway in both areas. Appendix 8 gives details of the number of grants approved and the number of dwellings created in the areas.

Empty Property Incentive Grants are funded using a proportion of the Council's New Homes Bonus, and the Council aims to secure additional funding to support and rollout further EHAZs across the County.

The New Homes Bonus funding has so far been utilised to help create four units of affordable accommodation with a further 13 expected to be created in 2014.

In addition Shropshire Council have supported successful community bids for funding to return prominent Town Centre empty properties to use.

Although public funds have been reduced, and are expected to be limited further over the coming years, efforts will continue to be made to attract funds to enable and support the continuity of empty property work throughout Shropshire.

Joint Working

It is the intention to further develop a collaborative approach to dealing with empty properties, raising awareness both within the Council and with external partners.

Within the Council: Our aim is to impart an understanding of how empty homes work impacts on other issues

dealt with by the Council and vice-versa.

The Council is committed to better integration and targeting of its services to achieve a joined up and efficient approach to empty property.

As part of this approach, joint working between the Private Sector Housing and Planning Teams will be piloted during 2013/14.

It is intended that successful pilot projects will be extended to priority cases throughout the County, concentrating efforts from all areas into progressing complex cases to positive outcomes.

Externally: The Council's Empty Homes Officers are members of the West Midlands Empty Property Officer Group and this ensures officers working in the field can share best practice ideas, develop knowledge and explore new ways of working with other professionals in the field.

Shropshire Council is also a Scheme Member of the National Empty Homes Loans Fund which provides financial assistance for works to empty properties in order for them to be let at an affordable rent.

Additionally, the Council works with Registered Providers on joint projects to return empty properties to occupation, from providing information and research through to partnership funding and practical involvement.

6. Monitoring & Review

Monitoring Targets

The Council have developed new ways of working in relation to empty properties. To complement this we have reviewed how our targets are determined and assessed.

Homes which have been occupied through local authority involvement, and will therefore count towards our targets, will include those achieved through:

- Financial assistance
- Providing advice and guidance
- Enforcement action
- Creation of new dwellings from unutilised space
- Creating links with tenants
- Creating links with purchasers

This provides a robust means of monitoring progress with respect to targets.

The targets for properties returned to use (RTU) and the creation of new dwellings (ND) from underutilised space, over the period of this Strategy are as follows:

- 2014/15 RTU - 75 & ND - 10
- 2015/16 RTU - 85 & ND - 12
- 2016/17 RTU - 95 & ND - 15

Reviewing the Strategy

The strategy will be reviewed periodically taking into account the findings of pilot projects, and as and when there is a change in funding availability or National Policy.

7. Further Information

This Strategy is intended to not only tackle the problems posed by empty property, but to also support and complement the aims and objectives of other Council strategies. To view these strategies please use the relevant links below.

- Hereford & Shropshire Housing Strategy
- Private Sector Housing Enforcement Policy
- Homelessness Strategy
- Shropshire Affordable Housing Allocation Policy and Scheme

- Crime Reduction Community Safety Strategy
- Shropshire Core Strategy
- Better Regulation and Enforcement Policy
- Public Protection and Enforcement Group Service Strategy
- Economic Growth Strategy
- Visitor Economy Strategies

Where to Find Additional Information on Empty Property

There are a number of organisations and sources of information that are of great use to both Empty Homes Officers and empty property owners. Some of the most useful are:

- Empty Homes Website
- Homes and Communities Agency
- Empty Homes Network
- National Empty Homes Loans Fund
- Land Registry
- Gov.UK
- Shelter

- Communities and Local Government

8. How you can help

Owners

If you are an owner of an empty property within the Shropshire Council area please contact the Empty Homes Team. We are very keen to discuss with you the options available for returning your property to use, and to offer you any assistance and support required.

Members of the Public

If you live near an empty property which is creating a problem in the local area, or where the owner may need some help to return the property to use please report it to us.

We can be contacted through the following methods:

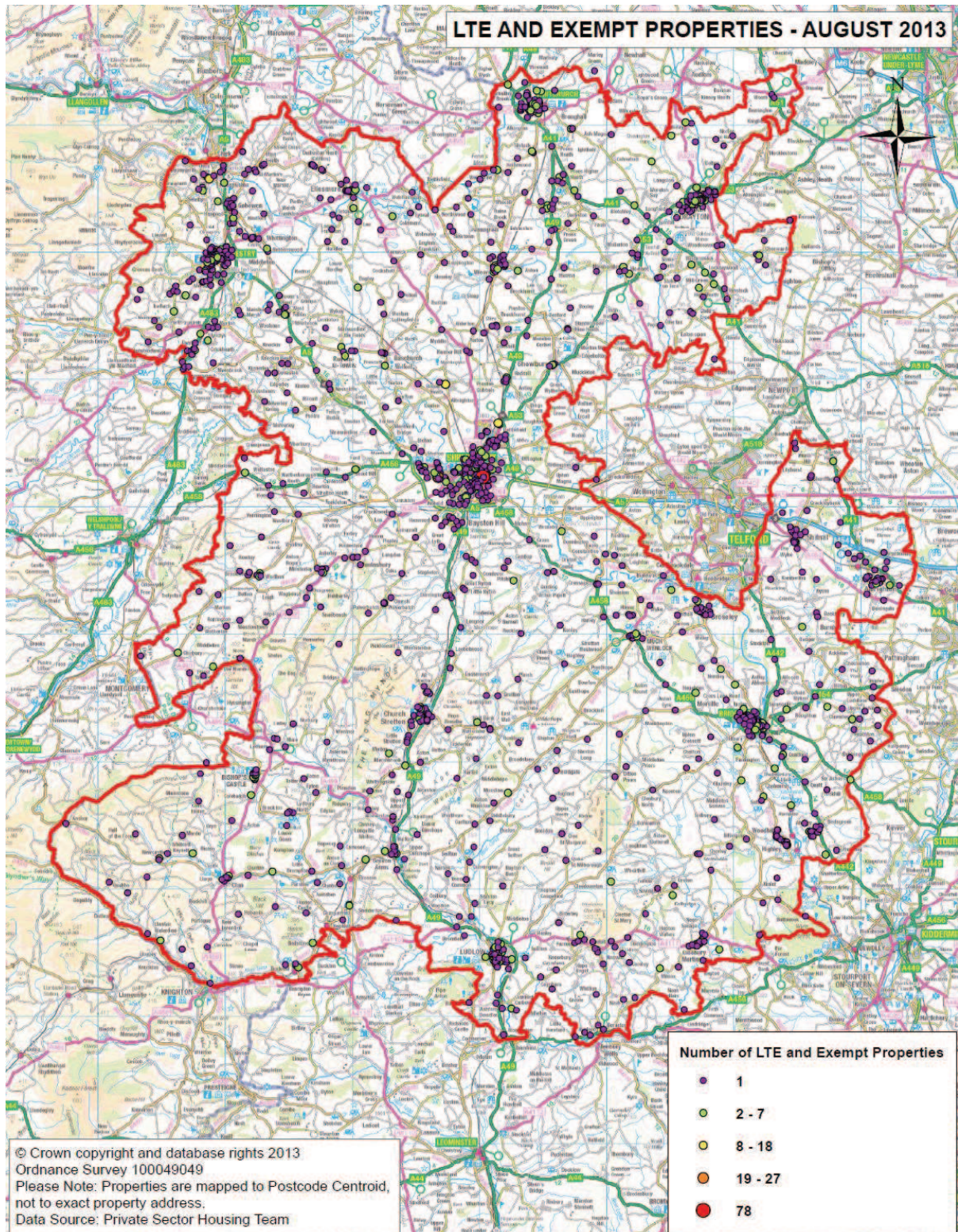
- Online: www.shropshire.gov.uk
- Email: emptyhomes@shropshire.gov.uk
- Telephone: **0345 678 9005**
- In writing:

**Empty Homes Team
Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire
SY2 6ND**

If you require this document in an alternative format or language, this can be requested using the contact details above.

Appendix 1

Distribution of Empty Homes across the County



Intelligence and Research team
The Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND
Scale : 1:266,500

Appendix 2

Housing Standards

Properties are assessed under the Housing Act 2004 using the Housing Health and Safety Rating System. The below 29 Hazards cover the all areas assessed under this system.

Physiological Requirements

- 1) Damp and Mould Growth
- 2) Excess Cold
- 3) Excess Heat
- 4) Asbestos and Manufactured Mineral Fibre
- 5) Biocides
- 6) Carbon Monoxide and Fuel Combustion Products
- 7) Lead
- 8) Radiation
- 9) Uncombusted Fuel Gas
- 10) Volatile Organic Compounds

Psychological Requirements

- 11) Crowding and Space
- 12) Entry by Intruders
- 13) Lighting
- 14) Noise

Protection against Infection

- 15) Domestic Hygiene, Pest and Refuse
- 16) Food Safety
- 17) Personal Hygiene, Sanitation and Drainage
- 18) Water Supply for Domestic Purposes

Protection against Accidents

- 19) Falls associated with baths
- 20) Falling on level surfaces
- 21) Falls associated with stairs and steps
- 22) Falling between levels
- 23) Electrical Hazards
- 24) Fire
- 25) Flames and Hot Surfaces
- 26) Collision and Entrapment
- 27) Explosions
- 28) Position and operability of amenities
- 29) Structural collapse and falling elements

Properties are also assessed under the Decent Homes Standard, the elements of which are outlined below:

Decent Homes Standard

For a property to meet the Decent Homes Standard, the minimum requirements are they must:

- 1) Meet the current legal minimum standard for housing

To meet this standard a home must not have a Category 1 hazard as assessed under the Housing Health and Safety Rating System

- 2) Be in a reasonable state of repair

A home would satisfy this element of the standard unless:

- One or more key building components are old and in poor condition
- Two or more non-key building components are old and in poor condition

- 3) Have reasonably modern facilities and services:

A home would fail this element of the standard if it lacks three or more of the following:

- A reasonably modern kitchen – 20 years or less
- A kitchen with adequate space and layout
- A reasonably modern bathroom – 30 years or less
- An appropriately located bathroom and toilet
- Adequate noise insulation

- 4) Have a reasonably degree of thermal comfort:

A home should have both efficient heating and effective insulation.

Appendix 3

Empty Property Incentive Grant Case Studies

Oswestry Empty Property Incentive Grant



Before works



Living area of new flat

The owner had bought an empty commercial premise to provide a larger business space for themselves and they were very keen on creating, from the space above the shop, a one bedroom residential unit to provide a much needed home for a local person.

The owner had already arranged to have schedules of works and building plans drawn up for the property and after initial discussions they decided to apply for a “£s negotiable” grant under our Oswestry Empty Property Incentive Grant scheme.

Grant Officers visited the property to assess the works required and to ensure they would be eligible to be covered by the grant, and the owner gained quotations for the works.

An amount of grant was negotiated along with the conditions that would be attached to payment. In this instance it was agreed that on completion of the grant works that the property would be made available to let to individuals on the housing register who meet the criteria of the Local Lettings Plan.

Once all paperwork had been supplied and all terms agreed between the owner and the Council, the grant was approved and the owner was able to employ one of the quoting contractors to undertake the works.

Officers kept in contact with the owner for updates on progress of the works and anticipated completion date to enable timely advertising of the property and allocation of a tenant as soon as possible after completion of the works.

Upon completion the property was advertised through the Shropshire Homepoint Choice Based Lettings Scheme to start the process of identifying potential tenants for the owner to interview.

Following completion of the works the Grants Officer revisited the property to check everything had been completed to the correct standard and the grant money was released to the owner, which on this occasion was paid in one final payment.

The tenant who had been allocated the property was then able to move into their new home.



Installed kitchen in new flat



Newly created shower room

Market Drayton Empty Property Incentive Grant



Before



After

The property is located in a prominent position in Market Drayton Town Centre. The building comprises two ground floor retail units and two further floors above; the first and second floor space has been empty for at least ten years and was in an extremely poor state of repair. Its renovation, in combination with that of the surrounding buildings, has made a substantial contribution to the overall improvement of the Town Centre street scene.

The building has needed a lot of external improvement, including a roof replacement. As the building is listed this was an expensive project and the owners had struggled to find funds to address the significant amount of work required to bring the top two floors back into residential use. Following discussions with the Empty Homes Team they made an application to the Market Drayton Empty Property Incentive Grant for a negotiable grant to create three new units of residential accommodation in the upstairs space. Following negotiation between the owners and the Negotiable Grant Panel, a grant was awarded with the condition that the units be made available for residential letting, through Shropshire HomePoint, for a period of 30 years at an affordable rate.

Without the grant this would not have been a viable project for the owners and the top two floors would have continued to deteriorate, with the building having a continuing negative impact on the surrounding area and town centre. Work is now well underway on the renovation and it is hoped it will be completed in early 2014. It is also hoped improving the look of the overall building, and the work going on in the vicinity to improve several other buildings, will make surrounding empty retail units a more attractive prospect for local businesses looking to move into the town centre.



Before Works



After Works



Appendix 4

VAT discounts for renovating empty properties

There are VAT discounts currently available for the renovation of empty properties. It is advisable to apply for these discounts before work commences to ensure the discount is successfully claimed.

There are currently two levels of discount each with differing eligibility criteria.

2 Year Discount

If the property has been empty for two years immediately before works commence, and will only be used for residential purposes once renovated, you may be eligible for a reduced rate of VAT at 5%. The requirements and eligibility criteria for this discount are detailed at [HMRC](#). It is important to ensure that your builders understand the concession and the details involved to make certain you are invoiced correctly.

10 Year Discount

If the property has been empty for more than ten years immediately before works commence, and will only be used for residential purposes by yourself or your family, once renovated, you may be eligible for zero rated VAT. The requirements and eligibility criteria for this discount are detailed at [HMRC](#). It is advised that your builder applies the 5% VAT rate in the first instance, as in the above 2 year discount, and then you complete a Conversion Claim Form through the above link to recoup the 5% VAT you have paid.

NB It may be necessary to provide all information and paperwork to evidence your eligibility for these discounts. Your claim can be assisted by a letter from our Empty Homes Officers confirming the length of time the property has been empty to the best of our knowledge.

If you are using a paper version of this document and are unable to follow the above links, the relevant information can be found by using the following web address:

www.hmrc.gov.uk/vat/sectors/builders/construction.htm

Appendix 5

Available Legislative Powers

The below table outlines a number of legislative powers available to Local Authorities to deal with specific situations which may arise when dealing with empty properties.

Statutory Powers Available in Relation to Empty Homes	
Section 16 Local Government (Miscellaneous Provisions) Act 1976 Section 330 Town & Country Planning Act 1990	Requesting information relating to a property from any person who has an interest in the property
Section 29 Local Government (Miscellaneous Provisions) Act 1982	Where a property is unoccupied and it is not effectively secured against unauthorised entry or is likely to become a danger to public health
Section 215 Town & Country Planning Act 1990	Unightly land and/or property affecting the amenity of an area
Section 11 & 12 Housing Act 2004 Section 40-41 Housing Act 2004 Section 46	Where one or more Category 1 and/or Category 2 hazards are likely to cause harm in the following 12 month period See Appendix 6 for a full list of hazards assessed under the Housing Health and Safety Rating System
Section 76 Building Act 1984	Where a premises is in such a state to be prejudicial to health or a nuisance
Section 77 & 78 Building Act 1984	To deal with dangerous buildings
Section 79 Building Act 1984	To deal with ruinous and dilapidated buildings and neglected sites in the affecting the amenity of an area
Section 79 - 81 Environmental Protection Act 1990	Where there is a requirement to abate a statutory nuisance
Section 4 Prevention of Damage by Pests Act 1949	To keep land free from rats and mice
Section 34 Public Health Act 1961	Deals with the removal of waste from a property/land
Section 48 Planning (Listed Buildings & Conservation Areas) Act 1990	Where there are necessary work required for the proper preservation of a listed building
Section 54 Planning (Listed Buildings & Conservation Areas) Act 1990	Where urgent works are required for the preservation of a listed building

Section 59 Building Act 1984	Deals with the provision of drainage and rainwater goods
Section 133 – 136 Housing Act 2004	Grants powers to take over the management of a property using Interim Empty Dwelling Management Orders (EDMO) and Final EDMOs
Section 103 Law of Property Act 1925	The Local Authority can force the sale of a property to retrieve an outstanding debt owed to them
Section 17 Housing Act 1985 Section 226 Town & Country Planning Act 1990 (as amended by the Planning & Compulsory Purchase Act 2004) Section 47 Planning (Listed Buildings & Conservation Areas) Act 1990	Grants powers for the Local Authority to pursue a Compulsory Purchase Order

Appendix 6

Empty Property Scoring and Rating System

Each empty property case, whether situated in an EHAZ or not, will be assessed using a scoring sheet which considers various criteria. The result of this assessment is that the property will be placed in a category which determines the priority level it is given and the subsequent course of action taken.

Properties will be reassessed when necessary to ensure they remain situated in the correct categories and the correct level of priority is given.

The categories will be classified as follows:

RED – 30+ points

Cases which fall into this category will be prioritised for the highest use of resources and level of interaction with the owner. All avenues will be explored with the owner to return their property to use in a way that suits their own needs, the needs of the Community and the Council. Where all forms of assistance are refused and the owner is unwilling to cooperate, all enforcement options will be considered to establish the most appropriate course of action.

AMBER – 19-29 points

Cases which fall into this category will be considered a lower priority than those in the Red category. Resources will still be invested in these cases and officers will work with owners in an attempt to prevent property from deteriorating and being reassessed to a higher category. Where necessary, enforcement options will be employed if considered the most appropriate course of action. Cases in this category will be monitored on a more frequent basis than those properties which fall within the Green category and will be reassessed where necessary.

GREEN – 0-18 points

Cases which fall into this category will be given a lower priority for action, but owners will be contacted and offered any assistance they may need to return their property back into use. These properties will be monitored for any change and reassessed where necessary.

Empty Homes Assessment Scoring Sheet

Criteria	Classification	Score
1) Time Empty	< 6 mth	1
	6m -2 yrs	2
	2-5 yrs	3
	5yrs +	4
2) Location	Extremely isolated with no access	1
	Isolated property with access	2
	Residential area	3
	Prominent position in area	4
3) Special Interest	None	1
	Listed property	2
	Located in Conservation area	3
	Listed property and in Conservation area	4
4) Regeneration	Located in an EHAZ or area of interest to SC	3
5) Condition of Dwelling	Habitable and well maintained	1
	Just at acceptable housing standard	2
	Hazards need addressing to reach housing standard	3
	Seriously defective/uninhabitable	4
6) General Condition	Well maintained	1
	Acceptable for surrounding area	2
	Noticeably empty/unattractive	3
	Extremely unsightly/detrimental to the area	4
7) Unwanted attention	None	1
	Minimal	2
	Frequent	3
	Persistent	4
8) Council Tax	Correctly registered	1
	Not registered	2
	Removed from banding	3
	Registered incorrectly/fraudulently	4
9) Debts Owed to Shropshire Council	< £500	1
	£500 - £2000	2
	£2000 - £5000	3
	£5000 >	4
10) Multiple properties	Other empty properties owned/managed by this owner (score per additional empty property owned)	3
11) Owner Interaction	High level of cooperation	1
	Average level of contact & efforts made	2
	Minimal contact & little efforts made	3
	No contact/untraceable/no efforts made	4
12) Potential of returning to occupation	Owner already taking action	1
	Minimal help/intervention required	2

unassisted	Some help/intervention required	3
	Much help/serious intervention required	4
	Total Score	
	RAG Category	

Appendix 7

Empty Homes Actions Zones (EHAZ)

The aim of our EHAZs is to not only return empty properties to use and create further dwellings, but to also support work to bring about the regeneration of the areas.

Our work in the EHAZs is intended to assist in regenerating local areas by complimenting other work in each community.

By returning empty properties to use, homes can be provided for local people enabling them to remain close to schools, employment and support networks.

Creating new units in town centres from under-utilised spaces provides additional accommodation to help reduce the number of those in housing need, whilst also improving the visual aspect of the town centre

As part of this work in these areas we have provided offers of financial assistance by way of Empty Property Incentive Grants. The grants are intended to help towards the cost of bringing empty properties up to the current Housing Standard and also to create dwellings in underutilised units such as space above shops and other commercial premises.

So far, EHAZs have been created in Market Drayton and Oswestry with three Empty Property Incentive Grants being approved and another five at the pre-approval stage. On completion these grants would provide up to 13 units of accommodation from properties returned to use and/or created from unused space.

Further funding has been allocated to larger projects in the town centres, in partnership with a Housing Association, with each project planned to convert empty and underutilised space into a further six units of affordable accommodation.

Through the work in the EHAZs the Council has made provisions to provide opportunities for training and employment. The funded projects facilitate apprenticeship and work placement opportunities, alongside employment for local people via links with local colleges and jobcentre plus.

This page is intentionally left blank



<p><u>Committee and Date</u></p> <p>Cabinet</p> <p>29 July 2015</p> <p>12 pm</p>	<p><u>Item</u></p> <p style="text-align: center;">7</p> <p><u>Public</u></p>
--	--

FINANCIAL STRATEGY 2015/16 - 2016/17

Responsible Officer James Walton
 e-mail: james.walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

The refreshed Council Business Plan and Financial Strategy 2014/15 to 2016/17 was agreed by Full Council on 26 February 2015. The report to Council detailed the progress on implementing the Council's Savings target of £80m over the 3 year period 2014-17 and in particular agreed the 2015/16 budget after making adjustments for unachievable or delayed savings. The report also identified the savings required in 2016/17, the final year of the 3 year plan. As we move forward, it is becoming evident that austerity measures will continue into the future and with a spending review expected in the autumn there is a need to develop a longer term approach to managing council finances, considering all areas of spend and resource generation with the aim of building a sustainable business model for the authority.

With this in mind, resource projections have been reviewed to identify the potential resources the Council will have available for the period to 2020/21 based on current information. These resource projections can then be considered against the projected costs of delivering or commissioning services the Council currently delivers in 2015/16 through to 2020/21 accounting for growth, inflationary pressures and any known changes in legislation which have a quantifiable financial implication. It is important that the Council puts in place a long term plan to both adjust service provision to meet projected resource levels and to ensure that resources are maximised and used in the most effective and efficient way.

The Financial Strategy is a rolling plan which is revised throughout each financial year, usually quarterly, as more information becomes available about the level of resources, service pressures and service delivery changes. The updates to the Financial Strategy throughout the year will use the most up to date information to develop, guide and review a new Sustainable Business Model for Shropshire Council.

There is significant work to complete to identify what the Council could look like under this new model, and how services would be shaped to deliver a long term sustainable

budget. This work will begin in the summer and progress over the autumn, reporting to Council later in the financial year.

2. Recommendations

It is recommended that members:

- A. Note the level of savings required in 2016/17 to deliver the third and final year of the 2014-17 Financial Strategy.
- B. Note the work being undertaken to develop a sustainable Business model for the Council.
- C. Note the implications of the outturn position for 2014/15 and P3 monitoring on the Financial Strategy
- D. Note the 2015/16 allocations against New Homes Bonus Funding.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's Business Plan and Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Business Plan and Financial Strategy makes specific reference to the significant financial uncertainty across Local Government in the Medium Term.

Financial Uncertainty

- 3.2. The funding settlement announced in February 2015 provided the 2015/16 financial settlement information only. No financial information for local authorities beyond 2015/16 has been confirmed. Indications are that spending cuts in the region of 12% per year will continue. There is ongoing uncertainty around the funding of new government policies and legislative changes, for example the Care Act and the announcement on 8 July of the introduction of a minimum living wage of £7.20 per hour which could impact on services delivered directly by the Council, but also those commissioned.
- 3.3. As government funding reduces, the Council becomes more reliant on locally retained business rates. As detailed in previous reports, a reduction in business rate income in any year would have to be around 10% before a safety net payment would be invoked. This drop is higher than the 7.5%

indicated in the funding mechanism as the Council's budgeted business rate income is higher than the baseline level that the 7.5% drop would be measured against.

- 3.4. Locally retained business rates introduce uncertainty to the Council's in year available resources; previously the Council was informed of the amount of redistributed business rates it would receive before the start of the financial year, under the new system the resources the Council actually receives will only be estimated in advance and could vary significantly. In addition any appeals against valuations can significantly affect the Council's resources over a number of years and require adequate provisions to be established.
- 3.5. Variations from budgeted revenues for both Business Rates and Council Tax are dealt with through their respective collection fund accounts. The accounting requirements and availability of final figures means that adjustments required (i.e. deficits or surpluses on the collection fund) cannot be built into the underlying budget process until 2 years after the year in which they relate. To mitigate the risk of large variations in estimated Business Rates, monitoring of Business Rates income will be further developed and reported regularly, reducing risk as the level and quality of data is increased. It is important to note that fluctuations in Business Rate income are difficult to project and that rating valuations are determined by the Valuation Office not the Council.
- 3.6. The funding mechanism does not reflect any service needs changes from year to year. It is proposed that the system will not be reset for 7 years from introduction i.e. by 2020/21.
- 3.7. By creating a Financial Strategy and developing a Sustainable Business Model, built around the concept of a self-sustaining Council no longer reliant of central government funding, the Council is in a stronger position to approach future challenges proactively, rather than reactively.
- 3.8. While the Financial Strategy represents our approach to the mitigation of the financial uncertainty we are faced with, the tight and uncertain financial climate over the medium to long term still presents a high risk to the authority. In addition to the known uncertainties we have planned for, there remains potential for further, as yet unrecognised, risks. For this reason, a prudent approach to the level of reserves held by the Council remains sensible and necessary.
- 3.9. The Council will need to keep a reasonable level of general reserve to help mitigate against the risk of delay in implementation of the significant savings

proposals. It is essential that this is kept under review both in the current year and with a view to future years and balancing the budget.

- 3.10. The Chancellor's Budget Statement on 8 July provided a general update on public spending proposals but did not provide clarification of the impact on Local Government. Instead we will await further detail within the Comprehensive Spending Review due on or around 25 November. Information relating to the capping of public sector salaries to 1% is in line with our existing assumptions. The impact on Public Health Funding is still unconfirmed, but we are currently planning for a reduction in Public Health Grant in the order of £750,000.

Other Risks and Opportunities

- 3.11. The Business Plan and Financial Strategy sets the resource parameters within which the Council can commission services to meet its priority outcomes. All risks and opportunities which have a material monetary value are considered within the strategy.
- 3.12. The Council's Business Plan and Financial Strategy recognises that there are risks and opportunities associated with ip&e as it is a wholly owned company of the Council. The development of the Council's future financial strategy will be clear about the financial expectations of ip&e and how this will impact on the Council's budget.
- 3.13. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equalities Impact Needs Assessments and any necessary service user consultation.

4. The Existing 3 year Financial Strategy, 2014-2017

- 4.1. In February 2014, Council agreed a 3 year Financial Strategy which identified a funding shortfall over the 3 year period 2014-17 of £80m and savings proposals to meet the shortfall. Throughout 2014/15 achievement of savings was RAG rated and monitored. In February 2015, the latest position on the achievement of savings was reported and a revised strategy agreed to set a balanced budget for 2015/16. The table below summaries savings proposals and achievement.

Table 1: 2014-2017 Savings Proposals and Achievement.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total
Funding shortfall	41,531	20,136	18,333	80,000
Savings Proposals	39,892	26,441	16,868	83,201
		66,333	16,868	83,201
Savings achieved/to be achieved		58,909		58,909
Savings Outstanding		7,424	16,868	24,292
<i>Service Pressures Identified</i>		<i>7,644</i>		

- 4.2. For February 2015 Council, the 2015/16 budget was balanced by identifying corporate resources to fund both the projected shortfall in the achievement of savings of £7.424m and identified service pressures of £7.644m. It was noted at the time that of the identified corporate resources of £15.069m, £6.396m were available ongoing in base budget and £8.673m were one off and available to balance 2015/16 only. Of the £7.424m savings unachievable in 2015/16, £1.207m were identified as slipped to 2016/17.
- 4.3. The 2016/17 budget savings identified as part of the 2014-17 Financial Strategy were £16.868m. As at Council in February, it was identified that a further £7.466m of savings would be required in 2016/17 to cover unachievable savings/ service pressures which were identified in 2014/15 and solved on a one off basis in 2015/16. Monitoring in 2015/16 will update members on the achievement of savings in 2015/16, how any variations will be dealt with in 2015/16 and what further impact there may be on the level of savings required to provide a balanced budget for 2016/17.
- 4.4. The existing Financial Strategy covers 2014-17 only. Indications were given in 2014/15 that similar levels of savings would be required going forward to 2017/18 and beyond and that this would be considered in future Financial Strategies to be reported in 2015/16. This work, and looking beyond the next Medium Term Financial Plan (MTFP) over a five to ten year window forms the

basis for the development of a Sustainable Business model to replace the current MTFP process.

5. The Current Financial Year 2015-16

- 5.1. As noted above, the budget for 2015/16 was agreed by Council on 26 February 2015.
- 5.2. As the 2015/16 financial year progresses, revenue monitoring reports will continue to monitor the achievement of 2015/16 savings and highlight any financial issues on the current year budget and also any ongoing implications. Any ongoing implications will be included in the Financial Strategy going forwards.
- 5.3. As at Quarter 1, the revenue monitoring reports to Cabinet have identified an initial projected overspend for 2015/16 of £5.023m. The ongoing financial implication of new service pressures is currently estimated at £5.625m. Work is currently being undertaken to build this pressure, and corresponding solutions, into our assumptions for 2016/17. Alternative, ongoing savings proposals will need to be identified before 1 April 2016 to ensure this does not leave future budgets in an unbalanced position.

6. 2016/17 Financial Year – the last year of the existing 3 year strategy.

- 6.1. The projections for 2016/17 have been updated to reflect the latest information. The table below summaries resources and expenditure projections.

Table 2: 2016/17 Resource and Expenditure Projections

	2016/17 £'000
Resources	553,475
Expenditure	571,808
Gap originally identified for 2016/17 in 2014-17 3 year strategy	-18,333

- 6.2. More detail on Projections can be seen in Appendix 1 (Resources) and Appendix 2 (Expenditure)

- 6.3. As previously reported the year on year requirement for savings and the timing of savings proposals and implementation can vary. The 3 year plan initially assumed the achievement of savings of £66.333m by 1 April 2015 and a further £16.868m of proposals to be delivered in 2016/17 giving a total of £83.201m. This would be an overachievement of £3.201m compared to the overall funding gap of £80m. As part of setting the 2015/16 budget, the planned overachievement of savings was removed so that the savings required to be delivered by 2016/17 are £80m. In February new service pressures of £7.644m were identified and it was possible to slightly offset the impact of these by ongoing corporate resources from changes in Council Tax taxbase and Business Rates projections. The revised savings projection is shown below.

Table 3 : Target 2016/17 Revised Savings

	To 2015/16 £'000	2016/17 £'000	Total £'000
Initial Savings Proposals	66,333	16,868	83,201
Remove overachievement			-3,201
Apply ongoing resources that are/can be uncommitted from elsewhere			-3,195
Add new service pressures identified in February			7,644
Revised Savings Target			84,449
Less savings achieved			58,909
Balance to be found in 2016/17			25,540

- 6.4. As identified in Section 5 above, the 2015/16 Quarter 1 Monitoring Report has identified £5.625m of further service pressures which have an ongoing impact in 2016/17. If these monitoring issues can not be resolved in 2015/16 on an ongoing basis the savings proposals for 2016/17 will need to be increased to £31.165m. The position will be monitored over the summer and actions identified to reduce the overspend and implement alternative savings.

- 6.5. To date Savings proposals for £16.868m have been identified and RAG rated. The current RAG rating on the 2016/17 savings is as follows:

Table 4 : RAG Rating for 2016/17 Savings

	£'000
GREEN	4,449
AMBER	7,161
RED	5,259
Original savings Target	16,868
RED - Revised savings target with no proposals identified at present	8,672
Revised Savings Target	25,540

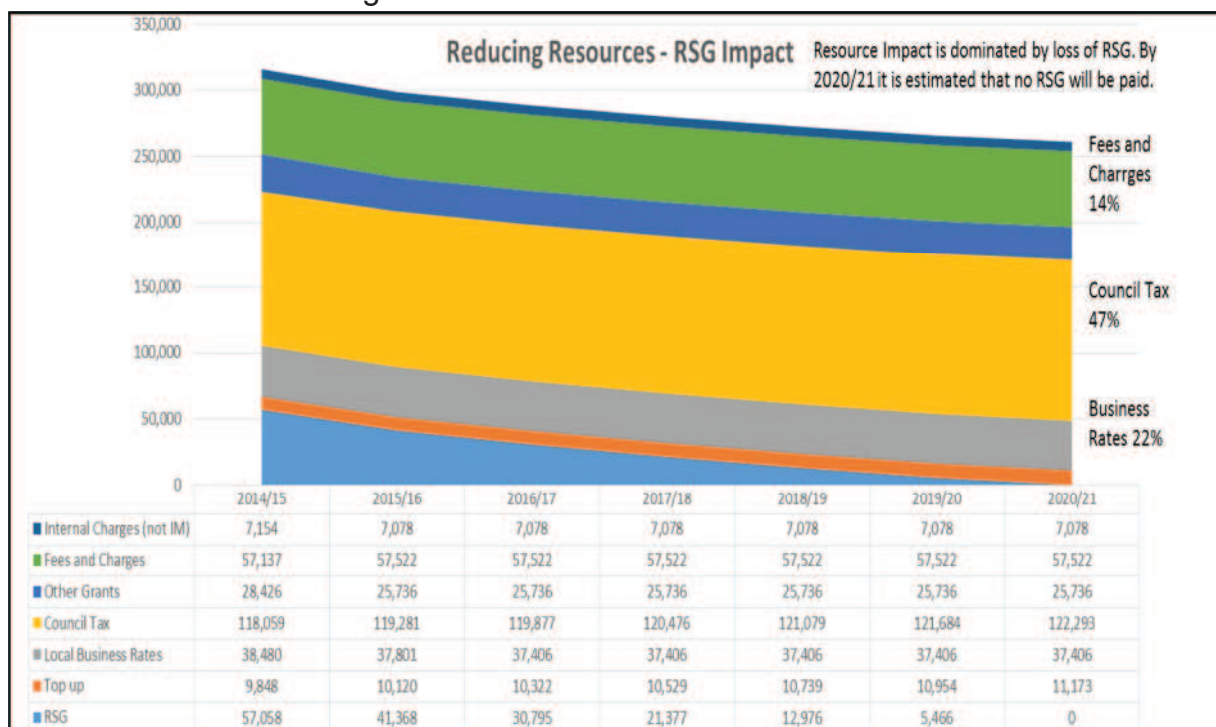
7. 2017/18 to 2020/21 Projections of Resources and Expenditure

- 7.1. Sections 4, 5 and 6 provide an update on our current strategy and identify what has been achieved to date, what is yet to be achieved and begins to outline the consequences of non-achievement in some areas. These sections have also identified the impact of in-year pressures that develop and the implications of these, both on the current financial year and future ones.
- 7.2. If we were able to take a step back from this work and look at some of the underlying principles and factors driving the budget and Financial Strategy, it may be possible to identify a more sustainable, longer term approach which we could refer to as a Sustainable Business Model. To develop a Sustainable Business model going forward, resource and expenditure projections need to be built, modelled, reconsidered and reviewed. This information then allows decisions to be taken, in the knowledge that any short term impact is understood and justified by the long term strategy.
- 7.3. The Council's budget is generally presented as either a gross or net budget. It may be more useful, however, to describe it in a slightly different way. The gross budget is basically the total amount the Council spends, funded from all available sources of funding, and for 2015/16 was approved by Council within the Budget Book at £576m. The Net budget is the amount that is funded from Revenue Support Grant (RSG – a grant from Central Government), Council Tax, Local Business Rates and Top Up Grant, and any other one off funds

relating to local collection funds or national toplices. The Net Budget for Shropshire Council for 2015/16 approved by Council in February was £216m

- 7.4. The Gross budget is helpful in that it demonstrates what the Council spends, but it also includes funds that effectively flow through the Council's books without local discretion. Examples of these are the large ringfenced grants such as Dedicated Schools Grant (DSG – grant that is passed to schools via a formula) and Rent Allowances/Rent Rebates (grants we administer on behalf of central government).
- 7.5. The net budget is helpful in understanding the impact on the taxpayer, but does not take account of income generated by services to offset their costs, nor other grants and contributions that are generated, which may not be ringfenced and over which the Council has discretion.
- 7.6. An alternative view is to consider the 'Gross Budget Excluding Specific Grants'. This shows the total amount Council services spend, but excludes the ringfenced grant areas over which Councils have little or no local control. The Resources that effectively pay for this Gross Budget Excluding Specific Grants include all areas of income under some form of control of the Council. The budget agreed by Council in February when expressed in this manner, amounts to £323m for 2015/16. This is balanced by an equivalent level of Resources as the budget set in February was balanced.
- 7.7. A review of the Council's resources has been built around the latest information on government funding for local authorities which projects a 12% reduction year on year in total spending assessments. The total spending assessment is currently made up of Revenue Support Grant (RSG), assumed Local Business Rates and Top Up Grant. As central government has direct control over only RSG, the full impact of the 12% reduction is taken from existing RSG projections, and the implication of this is that by 2020/21 it is projected that RSG will have been reduced to zero.
- 7.8. The diagram below shows the current make up of the resources that fund the Council's Gross Budget Excluding Specific Grants taken from the beginning of the current MTFP (2014/15) and applies the expected reductions in RSG through to 2020/21.

Chart 1: Reducing Council Resources



7.9. The following table summarises the Councils current projections for Resources that fund the Gross Budget Excluding Specific Grants to 2020/21. This table includes the impact of one-off resources (such as collection fund surpluses) that the Chart above does not.

Table 5 : Resource Projections 2016-2020

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Resources to Fund Gross Budget	576,379	553,475	546,466	538,691	531,838	525,795
Resources to Fund Gross Budget Excluding Specific Grants	322,632	303,301	294,477	286,702	279,849	273,805

7.10. The projections in the above chart and table assume a reduction in Government funding at 12% of Total Spending Assessment, a 0.5% increase

in the Council Tax Taxbase (but no increase in the Council Tax levied) and no change to Local Business Rates or other council income including Fees and Charges. More detail can be found in Appendix 1.

- 7.11. It can be seen that with the current modelling, resources are projected to reduce by approximately £48.8m by 2020/21. This reduction is due to the reduction in RSG which is slightly offset by minimal growth in the Council Tax Taxbase. Within the current base model it is assumed there will be no increases in Local Business Rates or increased income generated by the council or its wholly owned company ip&e Ltd. These assumptions will need to change.
- 7.12. Understanding the make up of the Council's resources and the current assumptions used to project forwards can be used as a basis for modelling and to allow different scenario planning. For example, the current projections only assume a 0.5% growth in Council Tax Base, but increasing this assumption to 1% each year between 2015/16 and 2020/21 would generate an additional £3.1m by 2020/21. It is important to note that any adjustments made are based on the best information available and are realistic. Some more examples of the financial implications of changes to assumptions are modelled in the table below

Table 6: Variations in Resource Projection Assumptions

Resource	Base Assumption	Alternative Assumption	Additional Resource by 2020/21 of Alternative Assumption
Council Tax – Taxbase Growth	0.5% increase annually	1% increase annually	£3.1m
Council Tax – Level	0% increase	1% increase annually	£6.2m
Business Rates Growth	0% increase	1% increase annually	£2.0m
Fees and Charges	0% increase	1% increase annually	£2.9m

- 7.13. Resource assumptions are not completely independent from expenditure assumptions. There will be areas of council expenditure which can influence

future resources which become available, for example house building and growth in size and number of business premises. In both of these areas the Council has a potential role to play, through planning functions and its economic development role which could affect the level of Council Tax and Business Rates the Council has going forwards. It is important to bear this in mind when the Council is agreeing service budgets within very limited resources.

- 7.14. Considering expenditure projections for the services the Council currently delivers or commissions, there are a number of known growth areas which the Council traditionally budgets for including pay and prices inflation and demographic growth. As the Council becomes a Commissioning Council it will become more important not to rely entirely on historical information to project expenditure forward. Future growth under a commissioning council may, for example, be more related to price indices than pay awards (which were capped at 1% in the Chancellors recent Budget Statement).
- 7.15. Based on current service levels and existing budgets, an initial exercise to project expenditure requirements forward results in the following growth implications to 2020/21 as shown in Table 7

Table 7: Growth Projections to 2020/21

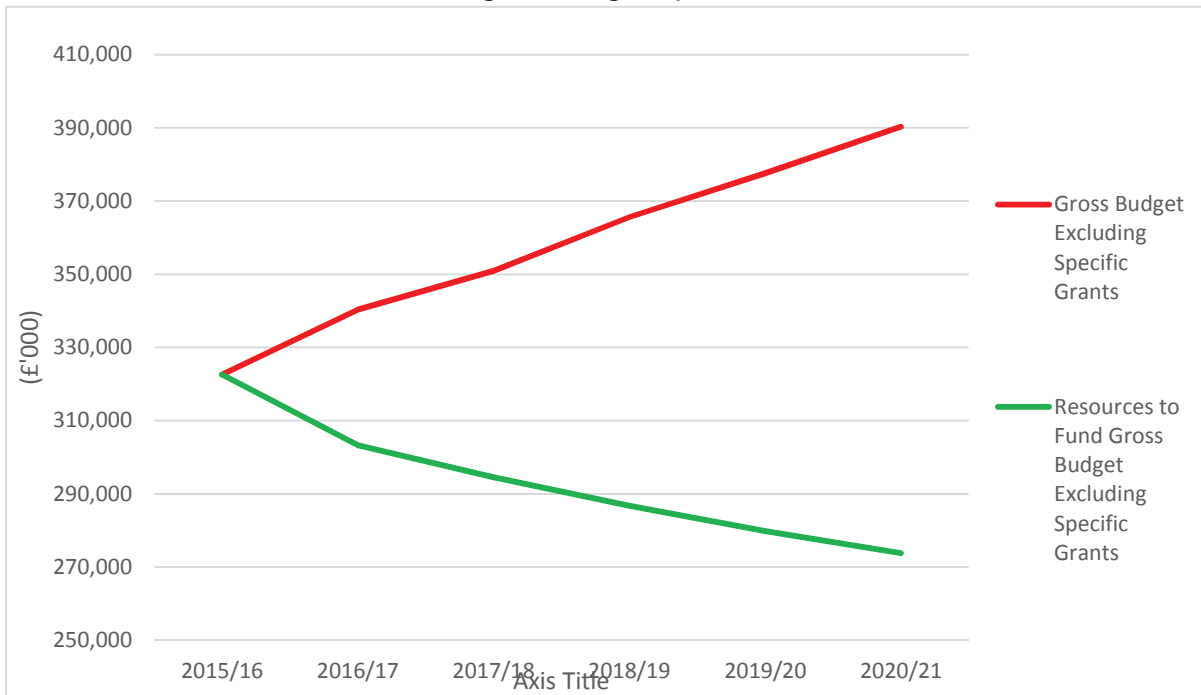
	Gross Budget Excluding Specific Grants £'000	Service Income £'000	Net Budget £'000
2015/16	322,632	-106,789	215,843
2020/21	390,286	-124,344	265,942
Increase/Growth	67,654	-17,555	50,099

- 7.16. This is an average growth of 4.26% per annum on the 2015/16 net budget. The majority (60%) of the growth within this calculation is driven by Adult Services with 28% in Commissioning, 7% in Children's and the balance in Resources and Support and Public Health (based on current service delivery).
- 7.17. To bring all of the above into a single conclusion, we can see that with a reduction in resources of £48.8m by 2020/21 and estimated growth required to deliver current services levels of £50.1m, it is projected there will be a c£100m funding gap between the resources available and expenditure required by 2020/21.

8. Developing a Sustainable Business Model

- 8.1. The base information and future projections identified in Section 7 can be used to form the basis for developing a Sustainable business Model for the Council. Putting together the current assumptions on spend and resources into a single graph the following chart is produced; an ever widening gap that needs to be addressed and readdressed every three years as part of the MTFP process.

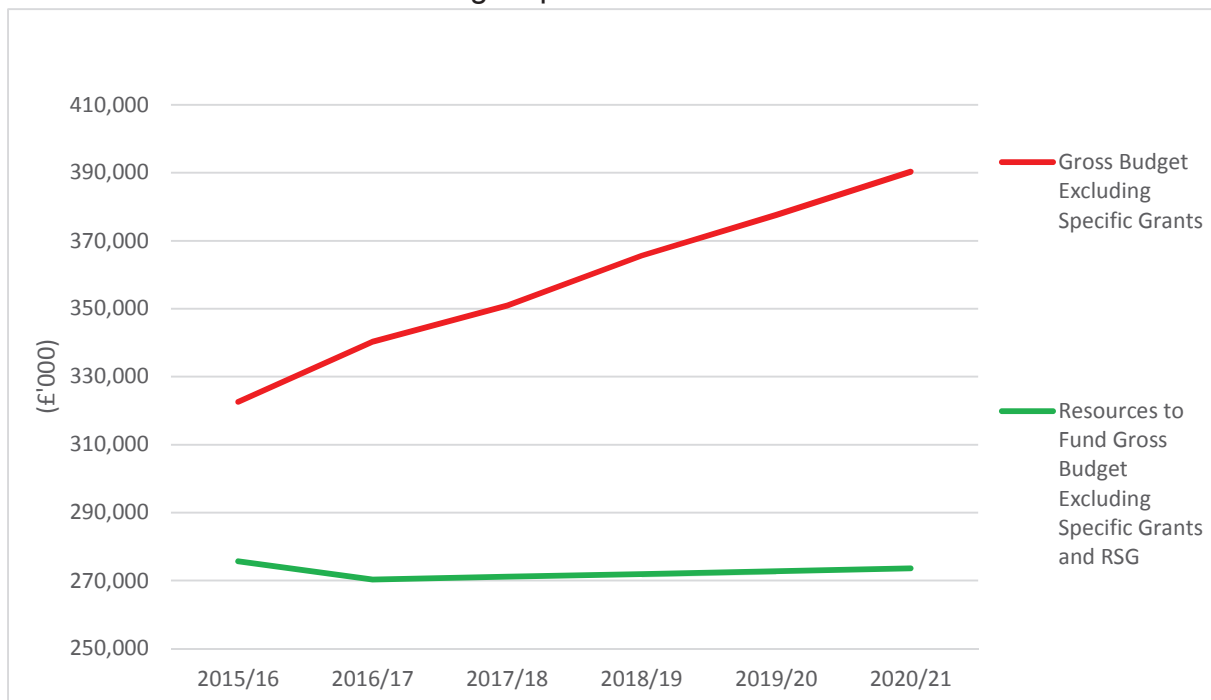
Chart 2: An Ever Widening Funding Gap



- 8.2. The approach the Council has historically taken when agreeing the Council's Financial Strategy is to periodically adjust expenditure down to available resource levels, traditionally over a 3 year period. Although the Council works hard to control growth in expenditure, historically, there has been an underlying increase which continues despite savings implementation.
- 8.3. To create a Sustainable Business Model officers have been trying to gain a deeper and more detailed understanding of what drives growth in spend. Where it has been possible to redesign services to minimise growth, or at the very least understand the drivers for growth, it is possible to apply zero based budget principles and identify a reasonable understanding of what future delivery of a particular service may look like. With an understanding of growth in costs, it then possible to consider whether services are deliverable on a sustainable basis over a longer period of time; and this is done by considering the Council's available resources.

- 8.4. In the same way that expenditure growth has been modelled, it is possible to model potential income growth (whether under the control of services or Council-wide such as Council Tax or Local Business Rates).
- 8.5. To start from a sustainable footing, it first necessary to assume that, not only will RSG be entirely removed from Council budgets, but that it is only interim funding in the meantime. In other words, the sooner we stop relying on RSG to fund Council Services, the sooner we can set a sustainable budget. The result of this consideration, clearly, is that the Council has to assume much lower funding levels much sooner, and that impacts directly on potential service delivery.
- 8.6. To demonstrate the impact of such an approach, Chart 2 has been recast in Chart 3 below, excluding resources that are not sustainable (primarily RSG). While this increases the size of the gap in early years, it does not increase the gap by 2020/21 (as RSG is assumed to have disappeared by this point anyway).

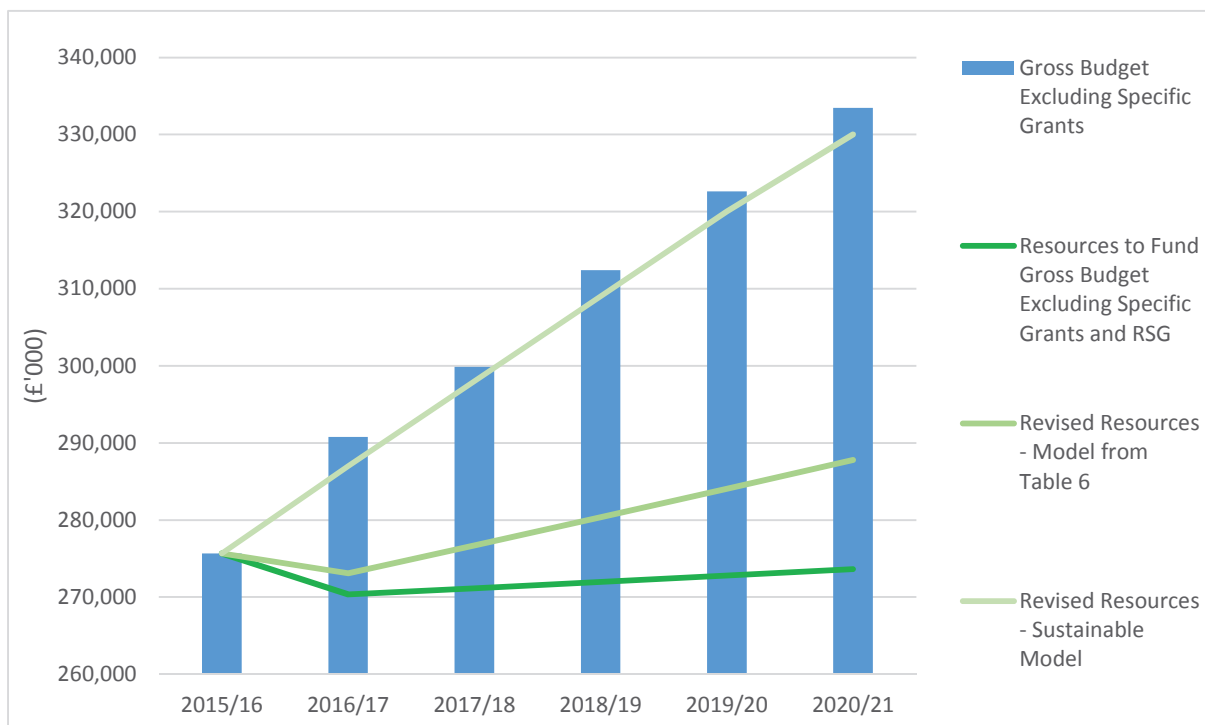
Chart 3: The True funding Gap



- 8.7. By viewing the information this way, we begin to look at the Council’s resources only from the viewpoint of what is (to differing levels) under our control, and we can then begin to model the various impacts on resource growth as set out in Section 7.

- 8.8. Producing Chart 3 has involved reviewing existing information and assumptions in a slightly different way. To turn Chart 3 into a Sustainable Business Model requires two further steps. Step 1 is to reduce the level of expenditure within the Council down to a level that can be funded by existing levels of resource. This means reducing Gross Budget Excluding Specific Grants down from the current level of £323m to around £275m (or moving the red line on the graph down, so that it starts from the same point as the green). This reduction would then need to be modelled forward to identify the implications on future growth in expenditure. Once that is completed, Step 2 would then look at resource generation to identify ways in which the (green) resources line can be turned more positively to more closely match the expenditure line. Only if the spend and income are matched, at the beginning and into the future, can a Sustainable Business Model be created for the Council.
- 8.9. Chart 4 below starts to model this approach. Expenditure has been reduced to £275m and growth into the future modelled (shown in the blue bars). At the same time, resources have been increased by the 1% modelled in Table 6 (shown by the lighter green line). The third (uppermost and lightest green) line demonstrates the increase in resource levels necessary to deliver a Sustainable Business Model.

Chart 4: A Sustainable Business Model



- 8.10. The above is a model and does not reflect an actual basis for decision making at this stage. Furthermore, it is not yet known whether RSG will be completely

removed by 2020/21 or earlier or later. It is likely that further detail will be available as part of the Autumn Statement and Spending Review due later in the year. The model does, however, allow us to plan for the eventuality of losing all RSG and should the timescales for this be brought forward, the model still holds firm.

- 8.11. A further benefit of working towards putting a Sustainable Business Model in place now is that any residual RSG that is retained over the next three to five years is effectively additional funds, and can be utilised as one-off funding to help smooth the transition to the Sustainable Business Model.
- 8.12. Work is now commencing to prioritise service areas which can be delivered within the model. This prioritisation will include information and feedback from officers, members and the public (see section 9 below). The information considered will include statutory requirements, will account for planned service changes and new delivery models and will seek to maximise the income earning potential of the Council. Using the information gathered it will then be possible to implement the two steps described above to put in place a Sustainable Business Model
- 8.13. This work is being developed over the coming months and next steps will be brought back to Members for the next strategy in October.

9. The Big Conversation

- 9.1. With the reduction in resources and spending pressures described earlier in this report, by 2020/21 it is clear the Council will not be able to continue to provide and deliver the same services. The Council will need to prioritise how it spends money.
- 9.2. To prioritise the Council needs to understand what services are valued by the public and what the public feels the Council should be providing and commissioning.
- 9.3. To understand public opinion in respect of balancing the Councils reducing budget. This should consider what services they value (and don't value), how these services should be delivered (by the Council or Communities) and how the right level of funds should be raised.
- 9.4. It is envisaged that a variety of engagement methods will be utilised to ensure fair opportunity to provide views. These will include, but are not restricted to
 - Facilitated public meetings.
 - Webinars.
 - An online survey.

- Social media (Twitter / Facebook).
- Non facilitated group meetings (information packs to be available via Big Conversation 2015 web pages).
- Facilitated focus groups

9.5. All responses will be collected and analysed and the information will be used to inform decision making around which services are most valued by the public.

10. New Homes Bonus

10.1. In 2011/12, the New Homes Bonus (NHB) grant was introduced. This unringfenced grant is a payment for each additional property built or brought back into use, based on the annual growth in average Band D households between years. The payment per property is based on the average council tax payable for a Band D property, which for 2011/12 in Shropshire was £1,439 and for the 2015/16 is £1,468. From 2012/13, an additional payment of £350 per property was introduced if the new property is categorised as affordable housing. Each year's grant is payable for 6 years, equating to £8,634 per property built or brought back into use (based on 2011/12 figures).

10.2. For the period 2011/12 to 2015/16 the following funding has been received.

Table 8: New Homes Bonus Received 2011-2016

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
2011/12	1,791	1,791	1,791	1,791	1,791
2012/13		1,038	1,038	1,038	1,038
2013/14			1,374	1,374	1,374
2014/15				1,554	1,554
2015/16					1,595
Total for Year	1,791	2,829	4,203	5,757	7,352
Total to year				14,580	21,932

- 10.3. In previous Financial Strategies , commitment have been approved against New Homes Bonus Funding , both specifically to provide support to stimulate the supply of local housing, economic growth and developing community based working and also to support the Council's Financial Strategy and provide a balanced budget. As at 31 March 2015 there is a balance on the New Homes Bonus Reserve of £4.675m.
- 10.4. The funding in the reserve will be used to continue to deliver previously agreed schemes in 2015/16 as detailed in Appendix 3.
- 10.5. In 2015/16, a further £7.352m in New Homes Bonus funding will be received by the Council. The 2015/16 Budget includes £5.215m contribution from New Homes Bonus to balance which leaves £2.137m uncommitted.
- 10.6. With the uncertainty on the Council's future resources beyond 2015/16 and the monitoring position being reported at Quarter 1, any future allocation of New Homes Bonus will be based on a Business Case which identifies a clear financial benefit to the Council. There are a number of projects currently being considered that will require match fund.
- 10.7. Working to this extended forward programme and a 5 year timeframe would enable better certainty and forward planning within the Council's capital programme and secure the short to medium term future of a number of housing, economic growth and developing community based working schemes. It would also speed up the decision-making process internally and within the Marches LEP in particular regards to additional funding rounds of Local Growth Fund and the new way of working proposed for Economic Growth. This has to be considered against the uncertainty around the Council's future resources and the potential use of New Homes Bonus as an unringfenced grant.

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

Local Member

All

Appendices

Appendix 1 – Resource projections 2016/17 and future years

Appendix 2 – Expenditure Projections 2016/17 and 2017/18

Appendix 3 – New Homes Bonus Allocations 2015/16

Appendix 4 – Local Enterprise Partnership (Exempt)

SHROPSHIRE COUNCIL - NET AND GROSS RESOURCES PROJECTIONS SUMMARY 2015/16 to 2017/18

APPENDIX 1

	2015/16 Final <small>Council 26 February 2015</small>	2016/17 Original <small>Council 26 February 2015</small>	2016/17 Revised <small>Cabinet 29 July 2015</small>	2015/16 & Beyond Notes & Assumptions	2017/18 ORIGINAL <small>Council 26 February 2015</small>	2017/18 Revised <small>Cabinet 29 July 2015</small>
RSG	43,760,146	30,794,514	32,945,604	2015/16 Final Settlement as announced by Government on 3 February 2015. Projections for future years based on estimated reductions of 12% on Assumed Funding Assessment which translates to 26% reduction in RSG in 2016/17 if the transfer of Clax Freeze Grant is excluded.	21,377,294	23,317,528
Business Rates Retention Allocation:						
NNDR (as raised and then retained locally) including appeals provision	39,166,165	39,166,165	39,166,165	NNDR1 2015-16 figure.	39,166,165	39,166,165
Top Up	10,036,372	10,237,099	10,237,099	Figure as per CLG 2015/16 Final Local Government Finance Settlement. Assume 2% RPI increase	10,441,841	10,441,841
Safety Net Payments						
Prior year adjustments (e.g. correction to safety net payments)						
TOTAL START UP FUNDING RECEIPT:	92,962,683	80,197,779	82,348,868		70,985,300	72,925,535
Return of amounts topsliced from RSG/BRRRA Allocation						
Share of £2bn unused New Homes Bonus topslice	394,940	0	0	Final Local Government Finance Settlement		
Share of returned damping (unused safety net held back)				This may be an in year bonus. More information required		
TOTAL FUNDING FROM CENTRAL/LOCAL SHARE	93,357,623	80,197,779	82,348,868		70,985,300	72,925,535
<i>Movement on previous year's funding</i>						
Taxbase	102,411	102,923	102,923	Actual taxbase for 2014/15 and 2015/16. Increase in Council Tax Taxbase assumed for 2016/17 and future years increased to 0.5% from 0.2%	103,438	103,438
Council Tax Income	119,280,524	119,876,927	119,876,927	Council tax freeze assumed	120,476,312	120,476,312
Collection Fund Surplus- Council Tax	4,138,464	500,000	500,000	Based on Previous years	500,000	500,000
Business Rates Collection fund	(934,051)	(500,000)	(2,594,000)	Based on previous years	(500,000)	(500,000)
TOTAL NET RESOURCES -2014-15 onwards	215,842,560	200,074,706	200,131,795		191,461,611	193,401,846

	2015/16 Revised <small>Council 26 February 2015</small>	2016/17 Original <small>Council 26 February 2015</small>	2016/17 Revised <small>Cabinet 29 July 2015</small>	2014/15 Notes & Assumptions	2017/18 ORIGINAL <small>Council 26 February 2015</small>	2017/18 Revised <small>Cabinet 29 July 2015</small>
GOVERNMENT GRANTS	253,747,100	253,765,530	252,268,690	Latest Information on Specific Grants	253,484,210	251,989,600
OTHER GRANTS & CONTRIBUTIONS	32,225,880	32,225,880	26,511,470	Revised for 2015/16 then left unchanged	32,225,880	26,511,470
FEES & CHARGES	56,100,805	56,100,805	56,100,805	Revised for 2015/16 then left unchanged	56,100,805	56,100,805
INTERNAL MARKET & INTERNAL RECHARGES						
Internal Recharges only	18,462,465	18,462,465	18,462,465	Revised for 2015/16 then left unchanged	18,462,465	18,462,465
Total Income outside of Net	360,536,250	360,554,680	353,343,430		360,273,360	353,064,340
TOTAL GROSS RESOURCES - 2013-14 onwards, after income Savings	576,378,810	560,629,386	553,475,225		551,734,971	546,466,186

Please contact: James Walton on 01743 255011

20

					Appendix 2
SHROPSHIRE COUNCIL - FINANCIAL SUMMARY 2015/16 to 2017/18					
	2015/16	2016/17	2016/17	2017/18	2017/18
	26 Feb 2015	26 Feb 2015	29 July 2015	26 Feb 2015	29 July 2015
	£	£	£	£	£
Expenditure					
<i>Original Gross Budget Requirement</i>	561,250,666	576,378,810	576,378,810	578,962,241	571,808,081
Monitoring Issues identified in 2014/15 with ongoing implications					
- Asset Sales - Removal of income stream	50,000	50,000	50,000		
Monitoring Issues identified in 2015/16 with ongoing implications To BE IDENTIFIED					
Inflation					
- Prices	2,796,947	2,921,147	2,921,147	3,058,689	3,058,689
- Pay 1% award	710,957	723,654	723,654	734,834	734,834
- Pay Increment	872,769	480,607	480,607	332,950	332,950
- Pension Costs - see NHB below and Savings		3,500,000	0	0	0
- Auto Enrolment (impacts 2017/18)-To Be Estimated					
Committed Growth					
- Debt Charges (Reduced as part of Savings)	1,000,000	1,000,000	1,000,000	0	0
New Growth					
- Demography: Adults	1,758,000	1,500,000	1,500,000	0	0
- Demography: Childrens services	1,183,000	1,183,000	1,183,000	0	0
New Service Pressures					
New Investment funding- One year only	(2,000,000)				
Repaying for borrowing for Redundancies		2,000,000	2,000,000	0	0
Care Act implications					
Changes to Expenditure Reflected in Resources					
Specific Grant Changes from Previous Year Including New Responsibilities	6,277,870	18,430	(7,192,820)	(281,320)	(279,090)
Income Changes					
Benefits (assume at same level as reduction in Resources)					
Change in Ctax Tax base and NNDR allocated to demographic growth	3,194,709	8,350	8,350	8,392	8,392
Council tax freeze Grant rolled in to base funding (see Above change in specific grants)	1,307,360	-1,307,360	-1,307,360		
Use of NHB Smoothing - see Pension Costs above	(1,609,000)	(1,909,000)	715,000		
Spare Pension budget used to offset unachievable savings			876,000		
Reallocation of Business Rates Appeals Base Budget	(2,277,816)				
Additional Contribution to offset Delay in Savings Achievement	2,277,816				
The adjustmenst below allow one off Resources to be included in the base in one year and removed in the following year. Use of one off resources in 2015/16 was detailed in the 26 February 2015 Council Report.					
Contributions to Savings for changes in Projections					
- Net Growth Change	2,167,600	(3,749,700)	(3,749,700)		
- Net Resources Change-14/15 one year only	(2,454,351)				
- Net Resources Change-15/16 one year only	(170,339)	170,339	170,339		
Surplus Settlement funding - one off	1,000,841	(1,086,048)	(1,086,048)	(1,704)	(1,704)
Surplus Collection fund - One off, allocation below	3,204,413	(3,204,413)	(3,204,413)		
Allocate to keep gap at £80m	(478,928)	284,425	284,425	194,503	194,503
Adjustment to Resource Projection - RSG, 2015/16 only			2,151,090		(210,855)
Adjustement to Business rates Collection Fund			(2,094,000)		2,094,000
Gross Budget Requirement (Including Internal Recharges) Before Savings	580,062,514	578,962,241	571,808,081	583,008,585	577,739,800
Changes in Gross in 2014/15	16,452,665				
2015/16 Savings from Base Budget	-20,136,369				
Gross Budget Requirement (Excluding Internal Market)	576,378,810	578,962,241	571,808,081	583,008,585	577,739,800

New Homes Bonus- 2015/16 Allocations

The following Table summarises the allocations of New Homes Bonus funding in 2015/16. All allocations are made from the reserve of £4.675m as at 31 March 2015.

Table 1: Allocations in 2015/16 of New Homes Bonus

Ref	Description	Amount (£)	Capital or Revenue
1	Planning Policy Team	103,000	Rev
2	Supporting Registered Providers/ Affordable Housing	2,077,000	Cap
3	Recycling Empty Properties	521,226	Cap
4	Land supply and Promotion (2)/Custom Self Build	292,227	Cap
5	LEP Revenue post	50,000	Rev
6	Community Working	50,000	Rev
7	Affordable Housing Rolling Fund (3)	320,580	Cap
8	Regeneration Projects (LEP)	282,353	Cap
9	LEP	108,000	Rev
10	Exception Grant	75,000	Cap
11	Exacom system / software	10,000	Rev
12	Housing Supply Evidence Base	50,000	Rev
13	Fixed term contracts with PP - 2 x Gr7 + 1 x Gr8	79,572	Rev
14	Development budget	250,000	Rev
15	EU Match funding allocation	80,000	Rev
		4,348,958	

1. Continue the top-slicing to fund the Planning Policy Team which was previously funded by the predecessor to NHB, Planning Delivery Grant, at a cost of £103,000 per annum for 2015/16, 2016/17 and 2017/18.
2. Continue the flat rate payment of £10,000 (Providers Grant) made to Registered Providers (RP's) for each new affordable home completed by them after April 1st 2015 which forms part of a "Community Led" affordable housing project. Funding is sought for up to 100 eligible new properties per year for 2015/16. Continue the flat rate payment of £3,000 (Parish Grant) made to participating communities for each new affordable home completed after April 1st 2015 through a "Community Led" housing project. Funding is sought for up to 100 eligible new properties per year for 2015/16. This funding is in lieu of the Community Infrastructure Levy (CiL), which is

not payable for affordable homes, and will contribute to the communities Neighbourhood Fund.

3. Continue to fund Empty Property Grants by allocating £250,000 in 2015/16, to tackling empty properties across Shropshire with a specific allocation in 2015/16 to the Whitchurch area with the balance allocated for further targeted intervention elsewhere in Shropshire. This allocation will be added to the existing £271,226 allocated from previous year. Empty properties are integral to the NHB calculation and award because each empty home within Shropshire is deducted from the total annual new build supply when determining the NHB grant award.
4. Land Supply and Promotion previous year commitment.
5. LEP Post Continuation of £50,000 to improve capacity and provision within the Marches Local Enterprise Partnership. This forms part of a tri-party agreement with LEP Partners Telford & Wrekin and Herefordshire and is essential in ensuring a strong partnership and securing benefits to the Marches and particularly Shropshire
6. Community Action Team (now known as Community Enablement Team) to support Community Led Planning across the county.
7. Continuation of the Affordable Housing Rolling Fund, no new allocation is sought but the underspend from previous years is to be carried forward into 2015/16 and 2016/17 to help satisfy any gaps in funding for affordable housing schemes that are looking to come forward.
8. Carry forward of previous allocation in Marches LEP Local Growth Fund and Priority Projects Cabinet Exempt approved 10th December 2014 as revenue and capital allocations.
9. A new flat rate payment of £1,000 is made to communities (Exceptions Grant) for each new affordable home completed after April 1st 2015 which are delivered outside of a "Community Led" approach. Funding is sought for up to 75 eligible new properties delivered this way. This funding is in lieu of the Community Infrastructure Levy (CiL), which is not payable for affordable homes and recognises that a contribution to the communities Neighbourhood Fund is appropriate (up to £75,000 per annum. NB these grant payments do not apply to affordable homes delivered on mixed development sites as part of a developers planning policy obligation.
10. A sum of £10,000 be used in 2015/16 to develop and purchase EXACOM software that accurately maps, accounts, monitors and fully integrates s106 Developer Contributions with CiL payments. This is to ensure that we can capture to a single location, daily updates via the SAMIS system to provide an accurate point in time balance for both CiL and the Developer Contributions in relation to receipt and expenditure.
11. The Housing Supply evidence base funding requirement of £50,000 is to ensure continued delivery and analysis of evidence base for housing strategy and policy in particular focussing on the statutory requirements for Objectively Assessed Housing Need (requires critical evaluation from external expertise); 5 year housing land

supply (needs to be continuously up dated for appeals); and review of SHLAA (database of sites put forward for development) and SHMAA (contextual analysis of wider housing evidence). These evidence requirements will also support a review of the statutory Housing Strategy and be the foundation of a robust spatial strategy for the next Local Plan period up to 2036.

12. An allocation of £79,572 for 2015/16 is required to fund the continuation of two existing fixed term contracts at Grade 7. Notably in the areas of Policy & Strategy and monitoring performance and the effectiveness of STaR housing and to ensure on-going and consistent liaison with the Development Management function in IP&E. A third Grade 8 post is to assist current s106 monitoring to ensure the effective management and progression of developer contributions which in turn facilitates sustainable development within Shropshire, the value of s106 income (£4.5 million paid and £13.9 million committed). The posts will be reviewed on an annual basis.
13. Continuation of £250,000 per annum in 2015/16 for LEP Supported regeneration projects unlocking the potential for growth in Shropshire. This allocation will provide development budget and allow feasibility work to be undertaken to bring forward shovel-ready projects and enable Shropshire Council to respond and react successfully to new and existing opportunities that will provide measurable benefit and outcomes to the Shropshire economy.
14. Government has provided all LEP areas with a notional allocation of funding from the 2014-2020 EU funding programme. The Marches LEP allocation is £98million. Shropshire Council, alongside other public organisations, has an opportunity to use the European Funding to deliver projects and programmes that address local need, therefore providing the Council with excellent value-for-money either by saving the Council funding or by delivering an enhanced service. It is estimated that a budget of £80,000 per annum allocated for 2015/16, 2016/17 and 2017/18 will be sufficient to provide match funding to initiate and inform Council projects that address the Council's priorities that could be funded through European Regional Development Fund (ERDF). This funding could also provide match funding (40%) for project management costs to implement and manage the projects. At this stage £80,000 for 2015/16 is to be allocated.



<u>Committee and date</u>	<u>Item</u>
Cabinet 29 July 2015 12.30 pm	8

REVENUE MONITORING REPORT – QUARTER 1 2015/16

Responsible Officer James Walton

Email: james.walton@shropshire.gov.uk

Tel: (01743) 255011

1. Summary

The report sets out the Revenue forecast for 2015/16 as at Quarter 1 and identifies the current projections on delivery of savings included within the forecast.

2015/16 represents the second year of the Council's latest three year Medium Term Financial Plan running from 2014/15 to 2016/17. Over this period the Council has identified a funding gap of £80m, with £28.4m of this due to be found in the 2015/16 Financial Year. Cabinet will receive an update on a quarterly basis to monitor the Council's overall finances reviewing delivery against the proposals put forward, but also monitoring of the whole Council budget to identify any other pressures or concerns not contained within savings proposals.

This monitoring report is the first produced for this Financial Year and is based on financial information held for the first three months of the year extrapolated to year end to produce an estimated outturn position. As the year progresses and further financial information becomes available, the quality of the estimates used within this report is expected to increase. Variances in the overall projected position for the Council are reported using a RAGY (Red, Amber, Green, Yellow) rating as explained in the background to the report.

To aid reporting of savings delivery the Council uses a RAG (Red, Amber, Green) rating to identify a rating for the delivery of savings proposals (more details provided in the report below). As at Quarter 1, evidence currently suggests that of the £28.4m of proposals to be delivered in 2015/16, £13m are rated as Green – with a high degree of certainty of being delivered.

The Quarter One position indicates that £6.4m of the £28.4m savings planned are categorised as red, and further work is required within service areas to ensure that the total value of savings proposals are fully deliverable within the financial year. Furthermore a number of additional service pressures of £5.6m are already being highlighted, which services will need to address alongside delivering their savings targets. These pressures have been offset by the identification of a number of one off sources of funding that have not been committed and will instead be held to partially address the service pressures identified in year.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £5.023m which includes savings pressures of £6.416m.
- The projected General Fund Balance as at 31 March 2016 is £10.592m.

2. Recommendations

It is recommended that Members:

- Note that at the end of Quarter One (26 June 2015), the full year forecast is a potential overspend of £5.023m;
- Consider the impact of this on the Council's General Fund Balance.
- Approve that Shropshire Council act as accountable body for the new Technical Assistance programme.

REPORT

3. Background

3.1 Revenue budget monitors are produced to report on the period from June (Period 2) to February (Period 11) of each financial year and show the anticipated year end projection. Reports are presented quarterly to Cabinet and monthly to Directors.

3.2 The reports track progress against the agreed budget decisions, forecast any significant variances to the budget, and enables corrective action to be taken to ensure a balanced budget at year end.

3.3 Variances are reported on an exceptions basis depending on the total variance from budget, and the percentage change in projection in any one period.

Green Variance +/- 1% (or £0.05m if budget less than £5m)

Amber Overspend between 1%-2% (or £0.05m-£0.1m if budget less than £5m)

Red Variance over 2% (or £0.1m if budget less than £5m)

Yellow Underspend more than 1% (or £0.05m if budget less than £5m)

3.4 In addition, given the level of savings proposals identified for delivery in 2015/16, this report also includes a second RAG rating, specifically relating to the delivery of savings. The ratings are as follows:

Green – Saving identified, quantified and confirmed

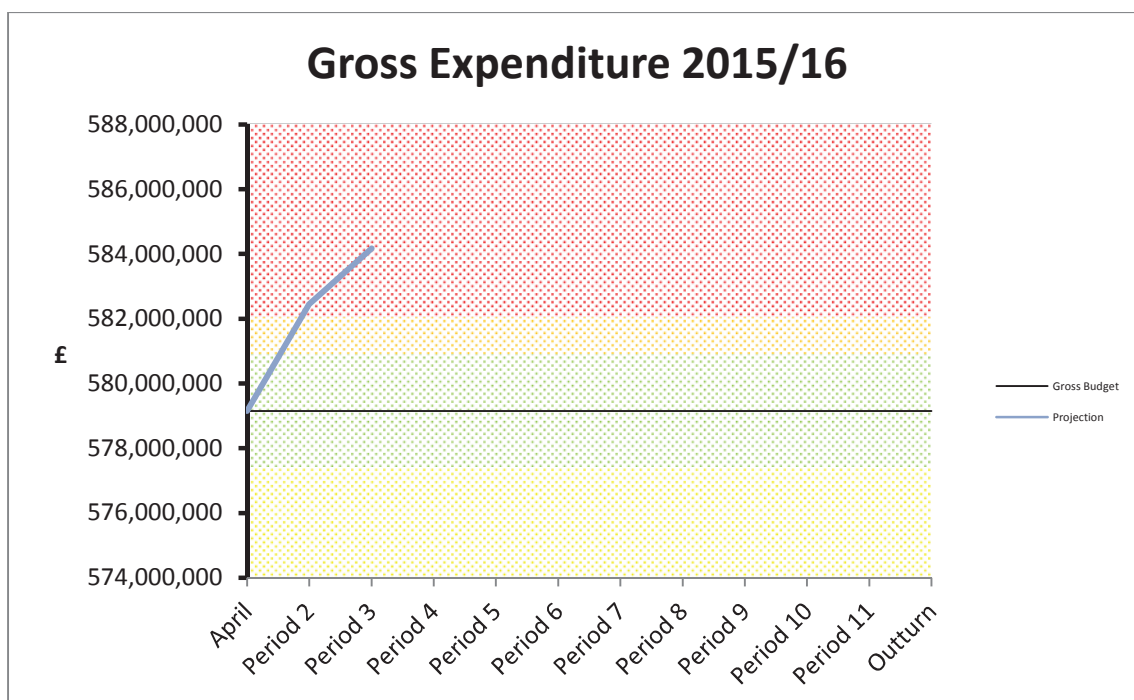
Amber – Saving identified but not yet confirmed

Red – Saving not achieved or unachievable

4. Monitoring 2015/16 Budget - Overall Position

4.1 The projected revenue forecast for the year, at Quarter 1, shows a potential overspend of £5.023m (0.87%) on a gross budget of £579.2m (net £215.8m)

for the full year. The forecast year end position for the whole council will be revised each month and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that would be seen as reasonable given the size and complexity of the Council's budget. At Quarter 1 the projected year end overspend of £5.023m is falling within the red banding.



- 4.4 The projected overspend of £5.023m for 2015/16 is presented below and analysed in more detail at Appendix 1.

Table 1: 2015/16 Projected Budget Variations Analysed by Service Area

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	RAGY Classification
Adult Services	70,410	74,347	3,937	R
Children's Services	54,922	54,922	0	G
Commissioning	81,992	82,618	626	G
Public Health	1,973	1,946	(27)	Y
Resources & Support	7,925	8,316	391	R
Corporate	(1,379)	(1,283)	96	A
TOTAL	215,843	220,866	5,023	R

5. Update on Savings Delivery

- 5.1 The savings projections for 2015/16 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2015/16 financial year. The RAGE ratings have been categorised as follows:

Red – Savings are not solved on an ongoing basis, nor have they been achieved in the current financial year

- Amber – Savings have been identified on an ongoing basis in the current financial year, however there is no clear evidence to support the delivery as yet
- Green – Savings have been identified on an ongoing basis in the current financial year, with evidence of delivery.

The RAG ratings are updated monthly to determine progress on delivery. Details of the current assessment of savings delivery for each service area are shown in Table 2.

Table 2: Update on Delivery of 2015/16 Savings Proposals

Service Area	Red £'000	Amber £'000	Green £'000	Total Savings £'000
Adult Services	3,483	5,089	5,397	13,969
Children's Services	0	1,853	1,185	3,038
Commissioning	909	1,698	2,899	5,506
Public Health	27	42	31	100
Resources & Support	837	365	691	1,893
Corporate	1,161	0	2,775	3,936
TOTAL SAVINGS	6,417	9,047	12,978	28,442

- 5.2 The figures presented above show that 46% of the 2015/16 savings target have been flagged as green with a further 32% with plans in place to be delivered. Those areas not delivered within 2015/16 have been assessed as part of the Financial Strategy to identify those areas deliverable but subject to a delay in delivery, and those areas identified as undeliverable.
- 5.3 Management have provided assurance that plans are in place to deliver the savings that have been categorised as amber, however as evidence of the delivery has not yet been identified, there is still a risk that these could cause a pressure on the outturn position for 2015/16. As the year progresses, these amber savings should gradually turn to green as the evidence does become available. However if the amber rated savings are not delivered as planned, the effect on the outturn position is shown in Table 3 below:

Table 3: Effect of Non-Delivery of Amber Savings in 2015/16

Service Area	Quarter 1 Projected Outturn £'000	Amber Savings £'000	Potential Outturn if Amber Savings not Achieved £'000
Adult Services	3,937	5,089	9,026
Children's Services	0	1,853	1,853
Commissioning	626	1,698	2,324
Public Health	(27)	42	15
Resources & Support	391	365	756
Corporate	96	0	96
TOTAL	5,023	9,047	14,070

6. Analysis of Outturn Projections including Delivery of Savings

6.1 The monitoring position detailed in Table 1 includes the current position on delivery of savings proposals for 2015/16 in addition to new monitoring pressures identified and one off solutions to reduce the projected overspend. Table 4 provides further analysis of the projected overspends for each service area.

Table 4: Reconciliation of Monitoring Projections to Savings Delivery

	Quarter 1 Projection £'000	Savings Pressure in 2015/16 £'000	Ongoing Monitoring Pressures Identified £'000	Ongoing Monitoring Savings Identified £'000	One Off Monitoring Pressures Identified £'000	One Off Monitoring Savings Identified £'000
Adult Business Support & Development	(416)	0	29	0	15	(460)
Contracts & Provider	270	187	0	0	0	(457)
Social Care Operations	4,519	2,462	2,357	(300)	0	0
Adult Services Management	28	0	0	0	28	0
Housing Health & Wellbeing	76	833	0	0	0	(757)
Adult Services	3,937	3,482	2,386	(300)	43	(1,674)
Learning & Skills	0	0	914	0	0	(914)
Children's Safeguarding	0	0	0	0	0	0
Children's Services	0	0	914	0	0	(914)
Director of Commissioning	1	75	0	0	1	(75)
Local Commissioning	(13)	0	0	0	2	(15)
Area Commissioning North	168	480	0	0	125	(437)
Area Commissioning South	397	354	1,540	0	29	(1,526)
Business Growth & Prosperity	72	0	60	0	68	(55)
Commissioning	626	909	1,600	0	225	(2,108)
Public Health	(27)	27	0	0	0	(54)
Public Health	(27)	27	0	0	0	(54)
Commercial Services	(5)	0	0	0	60	(65)
Customer Involvement	424	422	581	0	1,277	(1,856)
Finance, Governance & Assurance	(79)	269	0	0	244	(592)
Human Resources	83	49	3	0	90	(59)
Legal, Democratic & Strategy	35	97	0	0	130	(192)
SMB	(67)	0	0	0	0	(67)
Resources & Support	391	837	584	0	1,801	(2,831)
Corporate	96	1,161	141	0	0	(1,206)
Corporate	96	1,161	141	0	0	(1,206)
TOTAL	5,023	6,416	5,625	(300)	2,069	(8,787)

6.2 **Adult Services** – The red savings identified within Adult Services relate mainly to contract savings particularly within care placements, QICS PFI contract savings and the Bethpage contract as well as other minor contract savings within the service. Savings relating to the P2P Model of service delivery have also been categorised as red and the delivery of savings relating to the redesign

of Housing Services are also likely to slip until 2016/17. Ongoing pressures have been identified of £2.386m within Adult Services which relates to the purchasing pressure as a result of new additional clients entering the care system in the first 3 months of the financial year.

Children's Services – The reduction in Education Services Grant has been identified as an ongoing monitoring pressure. This is being funded in 2015/16 through the proposed use of other grant monies and staffing savings within Education Improvement.

Commissioning – The savings pressures in Commissioning relate to the review and redesign of the waste function including the Veolia contract (£0.373m), redesign of the Environmental Maintenance function (£0.263m), redesign of the Libraries service (£0.180m) and the review of joint use leisure facilities (£0.091m). Also ongoing monitoring pressures of £1.6m have been identified within the service relating to budget pressures within Environmental Maintenance of £0.9m and increasing costs of concessionary fares and bus subsidies of £0.6m. The balance relates to pressure on income achievement within the workshops rentals. These pressures have been offset within the 2015/16 projected outturn by a £1.163m contribution from the Severe Weather Reserve. A one off contract saving within waste (£0.434m) and other underspends across service areas are helping to fund the non-achievement of savings on a one off basis for 2015/16.

Resources & Support – Savings have been categorised as red in relation to the delivery of the asset rationalisation programme and the savings in IT Services relating to the Lync telephony rollout, the Equitrack implementation and the WAN contract savings. Ongoing pressures have also been identified in relation to IT licensing costs for software. The Microsoft agreement has recently been revised to broaden its scope and this has generated an additional ongoing budget pressure rather than a saving. There is also a one off pressure relating to additional costs for the WAN contract. The corporate WAN contract dual running period was initially anticipated to run until the end of June 2015, however this has now had to be extended and potentially needs to run until the end of December. The reasons for this extended dual running period are problems and delays in getting the BT WAN installed at all Council sites. These costs that have been identified within IT Services are being funded by a one off contribution from the Resources Efficiency Reserve (£1.5m) which contains earmarked money for IT Services development. This delay reduces the amount of redevelopment funding for IT.

Corporate – Efficiency savings of 7.5% were anticipated across corporate budgets in 2015/16 as a result of a redesign of Council services and a reduction in the support needed for frontline services. Without significant change to, or reduction in, many frontline services, proposals to deliver these savings have not yet identified. This is being funded on a one off basis within 2015/16 by identifying alternative corporate budgets that have been held but can be uncommitted whilst redesign is completed.

7. General Fund Balance

7.1. The effect on the Council's Reserves of the forecast is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2015/16 the minimum balance required is £2.896m. The Financial Strategy, agreed by Council on 26 February 2015, anticipates a level of reserves by year end of £14.9m. Based on the current monitoring position, the General Fund Balance will be significantly below this target and the below the Council's policy on balances, as shown in Table 5 below:

Table 5: Projected General Fund Balance As At 31 March 2016

	(£'000)
General Fund Balances as at 1 April 2015	15,206
Budgeted contribution to General Fund Balance	409
This report – projected outturn (overspend)	(5,023)
Projected Balance at 31 March 2016	10,592

8. External Funding

8.1 Technical Assistance

8.1.1 There is significant ERDF funding allocated within the Marches European Structural and Investment Fund Strategy up to 2020 (£12,469,269 More Developed and £43,446,842 Transition). Shropshire and Telford and Wrekin has been designated a Transition Area (alongside Stoke and Staffordshire). Transition Area status will enable Shropshire to benefit from more funding coming into the area. To enable the Marches to be prepared to apply for and manage the ERDF funding, Shropshire Council, on behalf of the Marches LEP, has submitted an Outline Application to DCLG for a Marches Technical Assistance project with Shropshire Council acting as the Accountable Body. The project will provide dedicated ERDF support at a local level by raising awareness of ERDF opportunities and assisting organisations to develop compliant successful ERDF projects which meet the Marches European Structural and Investment Fund Priorities and ERDF Operational Programme requirements, minimising risk, irregularities and potential claw back. The funding is dependent on a number of deliverables within the scheme, and should the project not deliver to the level required, there is a risk of clawback that Shropshire Council would have to repay as the accountable body.

8.1.2 A Marches Technical Assistant (TA) service will be established to ensure effective delivery of the Marches ESIF priorities and ERDF funding. Three new posts will be created (1 TA Team Leader and 2 TA Officers) from 1 January 2016 to 31 December 2018. The new posts will be part of a wider TA Service with additional capacity from staff of the three Local Authorities. The new posts will be hosted and based within Shropshire Council, with hot desks in each LA to ensure effective working. The posts will be part funded by ERDF grant with the remaining funding being provided by the Local Authorities. The outline

application includes an allocation of funding to contribute towards the cost of Finance and HR support to the project.

8.1.3 It is anticipated that DCLG will appraise the Outline Application by end July 2015. Subject to approval, DCLG will invite a Full Application to be submitted in the forthcoming months.

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

Revenue & Capital Budget 2015/16
Financial Rules

Appendices

1 - Service Area Pressures and Actions 2015/16
2 - Amendments to Original Budget 2015/16

Service Area Pressures and Actions 2015/16Summary

	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Adult Services	70,409,670	74,347,182	3,937,512	R
Children Services	54,922,000	54,921,865	(135)	G
Commissioning	81,992,290	82,618,406	626,116	G
Public Health	1,972,530	1,945,120	(27,410)	Y
Resources & Support	7,924,950	8,316,562	391,612	R
Corporate	(1,378,880)	(1,283,054)	95,826	A
Total	215,842,560	220,866,081	5,023,521	R

Detail

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	70,409,670	74,347,182	3,937,512	R

Adult Business Support & Development	Portfolio Holder Adult Services and Local Commissioning (South)	1,484,650	1,069,046	(415,604)	Y
Current underspend within training and grant income held here to offset pressures in the purchasing budgets.					
Contracts & Provider	Portfolio Holder Adult Services and Local Commissioning (South)	7,158,520	6,888,756	(269,764)	Y
The underspends in internally provided services are kept under continual review and used flexibly as in house services are redesigned and recommissioned to meet the changing needs of service users.					
Social Care Operations	Portfolio Holder Adult Services and Local Commissioning (South)	55,086,660	59,605,416	4,518,756	R
The purchasing element of this budget is overspending by £3.7m as at period 3, £1.09m of new pressure was added in P3 by 115 new clients entering the system and increased needs requiring additional support for a number of clients already in receipt of funding. An in depth analysis is being carried out to both ensure the source of these new clients and to validate if this trend risks continuing in line with recent experiences of increased needs and urgent care system pressures. There are also other pressures arising as a result of legislative changes around Deprivation of Liberty Safeguards (DOLs) and the impact of the transfer of Independent Living Fund to local administration. A £300,000 contribution from ASC reserves has been notionally applied at this point in the year to assist with managing this pressure. This will be reviewed as the year progresses.					
Adult Services Management	Portfolio Holder Adult Services and Local Commissioning (South)	2,190,420	2,218,526	28,106	G
No significant variance to report.					
Housing Health & Wellbeing	Portfolio Holder Adult Services and Local Commissioning (South)	4,489,420	4,565,438	76,018	A
Some slippage on savings plans that whilst in place will be late in delivery.					

ADULT SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	

CHILDRENS SERVICES	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	54,922,000	54,921,865	(135)	G

Learning & Skills	Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding	26,237,700	26,237,700	0	G
No variation from budget projected as at Quarter 1, after applying a one off allocation from reserves of £0.552m to support the £1.36m reduction in Education Services Grant.					
Children's Safeguarding	Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding	28,684,300	28,684,165	(135)	Y
Minor variation from budget projected as at Quarter 1.					

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	81,992,290	82,618,406	626,116	G

Director of Commissioning	Portfolio Holder Leisure, Libraries and Culture	636,840	637,375	535	G
Minor variation from budget projected as at Quarter 1.					
Director of Commissioner Total		636,840	637,375	535	G

Local Commissioning	Portfolio Holder Business Growth, ip&e and Commissioning (North)	298,790	300,842	2,052	G
Minor variation from budget projected as at Quarter 1.					
Community Action	Portfolio Holder Business Growth, ip&e and Commissioning (North)	851,730	838,743	(12,987)	Y
Minor variation from budget projected as at Quarter 1.					
LJC Locality Commissioning	Portfolio Holder Business Growth, ip&e and Commissioning (North)	158,430	156,832	(1,598)	Y

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Minor variation from budget projected as at Quarter 1.					
Local Commissioning Total		1,308,950	1,296,417	(12,533)	Y
Area Commissioner North – Positive Activities	Portfolio Holder Leisure, Libraries and Culture	487,750	540,989	53,239	A
The start date for new provision is now later than originally planned (September 2015 rather than April 2015). In order to cover interim Positive Activities staffing and direct delivery costs, LJC pro-rata allocations have been made for 2015/16. The infrastructure support budget has also been reduced for 2015/16 in order to reflect the revised start date of the infrastructure contract. However, it is forecast that not all interim costs will be offset by these two budget amendments.					
Area Commissioner North - Libraries	Portfolio Holder Leisure, Libraries and Culture	4,059,790	4,158,014	98,224	A
Local discussions and negotiations around transfer of smaller libraries to community organisations have been underway for some time now and different models are beginning to develop, however this work has taken longer than originally anticipated. It is hoped that six libraries will transfer to community organisations within 2015/16, however until these transfers take place there is little scope to make savings.					
Area Commissioner North - Markets	Portfolio Holder Business Growth, ip&e and Commissioning (North)	57,220	54,893	(2,327)	Y
Minor variation from budget projected as at Quarter 1.					
Area Commissioner North - Waste	Portfolio Holder Business Growth, ip&e and Commissioning (North)	26,597,260	26,613,135	15,875	G
Minor variation from budget projected as at Quarter 1.					
Area Commissioner North	Portfolio Holder Business Growth, ip&e and Commissioning (North)	240,560	243,748	3,188	G
Minor variation from budget projected as at Quarter 1.					
Area Commissioner North Total		31,442,580	31,610,779	168,199	G
Area Commissioner South – Environmental Maintenance	Portfolio Holder Highways & Transport	27,344,970	27,374,146	29,176	G
There are a couple of areas of concern that are under further investigation surrounding the Ringway contract which may result in additional expenditure, however have not been included at this time.					
Area Commissioner South – Highways & Transport	Portfolio Holder Highways & Transport	5,081,710	5,463,851	382,141	R
It is anticipated that with current policy there will be an overspend in subsidised bus services and concessionary fares.					
Area Commissioner South – Passenger Transport	Portfolio Holder Highways & Transport	808,110	795,210	(12,900)	Y
Minor variation from budget projected as at Quarter 1.					
Area Commissioner South – Leisure	Portfolio Holder Leisure, Libraries and Culture	3,371,430	3,371,722	292	G
Minor variation from budget projected as at Quarter 1.					

COMMISSIONING		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Area Commissioner South	Portfolio Holder Adult Services and Commissioning (South)	317,640	316,388	(1,252)	Y
Minor variation from budget projected as at Quarter 1.					
Area Commissioner South Total		36,923,860	37,321,317	397,457	A

Business Growth & Prosperity – Arts	Portfolio Holder Leisure, Libraries and Culture	194,740	194,740	0	G
No variation from budget projected as at Quarter 1.					
Business Growth & Prosperity - Enterprise & Business	Portfolio Holder Business Growth, ip&e and Commissioning (North)	823,110	824,605	1,495	G
Minor variation from budget projected as at Quarter 1.					
Business Growth & Prosperity - Visitor Economy	Portfolio Holder Business Growth, ip&e and Commissioning (North)	1,830,220	1,851,114	20,894	G
Minor variation from budget projected as at Quarter 1.					
Business Growth & Prosperity - Outdoor Recreation	Portfolio Holder Leisure, Libraries and Culture	1,657,110	1,692,519	35,409	G
There are a number of minor variations plus difficulty delivering all savings targets within this service area.					
Business Growth & Prosperity - Theatre Severn	Portfolio Holder Leisure, Libraries and Culture	592,470	602,309	9,839	G
Minor variation from budget projected as at Quarter 1.					
Business Growth & Prosperity - Infrastructure & Growth	Portfolio Holder Business Growth, ip&e and Commissioning (North)	151,430	193,401	41,971	G
Income from lettings remains challenging resulting in a projected overspend.					
Business Growth & Prosperity – Strategic Planning	Portfolio Holder Planning, Housing and Commissioning (Central)	818,870	788,927	(29,943)	Y
There are a number of minor variations mainly within staffing budgets.					
Business Growth & Prosperity – Regulatory Services	Portfolio Holder Planning, Housing and Commissioning (Central)	5,113,430	5,108,022	(5,408)	Y
Minor variation from budget projected as at Quarter 1.					
Business Growth & Prosperity – Management	Portfolio Holder Planning, Housing and Commissioning (Central)	498,680	496,881	(1,799)	Y
Minor variation from budget projected as at Quarter 1.					
Business Growth & Prosperity Total		11,680,060	11,752,518	72,458	G

COMMISSIONING	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	

PUBLIC HEALTH	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	1,972,530	1,945,120	(27,410)	Y

Public Health	Portfolio Holder Health	1,972,530	1,945,120	(27,410)	Y
No significant variance to report.					

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Forecast	Variance	
	£	£	£	
Total	7,924,950	8,316,562	391,612	R

Commercial Services	Portfolio Holder Resources, Finance, and Support	5,008,230	5,003,304	(4,926)	Y
Minor variation from budget projected as at Quarter 1.					
Customer Involvement	Portfolio Holder Resources, Finance, and Support	753,070	1,177,150	424,080	R
<p>It has been identified early in the year that there is a reduction in external income earned by the Customer Service Centre relating to the contract for services provided to ST&RH, this has generated an overspend of £0.109m. Savings targets of £0.074m have been identified as unachievable in full and solutions are being investigated. Additionally IT Services have delayed savings of £0.310m in relation to the rollout of Lync and telecoms, a part year saving should be achievable and this is being progressed. The saving of £0.062m relating to implementation of Equitrack has not been achieved in 2015/16, but is due to be rolled out by 2016/17. The corporate WAN contract dual running period initially anticipated to run until the end of June 2015, has had to be extended and may now need to run until the end of December. The reasons for this extended dual running period are problems and delays in getting the BT WAN installed at all Council sites, this has resulted in an unbudgeted cost of £1m. Additional budget pressures have also been identified in relation to the council's licensing requirement in 15/16 resulting in a projected overspend of £0.5m as a result of a broadening of the Microsoft agreement in place and transition costs as the Council moves to new software systems. These additional costs relating to the WAN contract and the software licensing costs are being funded in 2015/16 with a contribution from the Resources Efficiency Reserve (£1.5m) which includes specific money set aside for IT development. This delay reduces the amount of redevelopment funding for IT. The historic overspend in Print and Mail services is being addressed in 2015/16 by a service redesign and the projected overspend in year is forecast to be £0.017m, this will be resolved fully by 2016/17. Savings have been identified of £0.130m from staffing reductions across customer involvement to offset some of the overspends.</p>					
Finance, Governance & Assurance	Portfolio Holder Resources, Finance, and Support	1,402,590	1,323,941	(78,649)	Y
<p>An overspend has been identified within the Revenues and Benefits teams, a staffing restructure has recently taken place in order to address this issue in the future and the current overspend is being reviewed with the aim to reduce this in year. The forecast overspend resulting partly from grant reductions has been resolved in year by the reallocation of base budget of £0.170m no longer considered to be required, and additional in year vacancy management savings of £0.050m in Financial Advice. There are currently £0.269m of unachieved savings in 2015/16, these are planned to be achieved by 2016/17. Savings of £0.329m have been identified</p>					

RESOURCES & SUPPORT		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		7,924,950	8,316,562	391,612	R
across various teams within FG&A and these have come from vacancy management and reduced planned spending on software and supplies and services.					
Human Resources & Development	Portfolio Holder Resources, Finance, and Support	74,430	157,793	83,363	A
Some additional costs have been projected in relation to the Northgate ResourceLink contract extension. There is also a shortfall in income projected in First Aid, Occupational Health and HR Advice. These unfavourable variances are partly offset by minor in-year vacancy management savings. Furthermore, there is an unachieved saving in 15/16 of £0.049m identified.					
Legal, Democratic & Strategy	Portfolio Holder Resources, Finance, and Support	686,630	721,172	34,542	G
An underspend of £0.058m has been identified on Members Allowances. Other smaller savings relating to restructures and staffing vacancies have been identified within the Strategic Planning Team. This has been offset however by an unachieved saving in 2015/16 of £0.097m but this is expected to be achieved by 2016/17.					
Strategic Management Board	Portfolio Holder Resources, Finance, and Support	0	(66,798)	(66,798)	Y
The forecast underspend relates to an additional income stream of £0.062m that has been identified following the budget setting process.					

CORPORATE		Full year			RAGY
		Budget	Forecast	Variance	
		£	£	£	
Total		(1,378,880)	(1,283,054)	95,826	A
Corporate Budgets	Portfolio Holder Resources, Finance, and Support	(1,378,880)	(1,283,054)	95,826	A
There are currently £1.160m of unachieved savings in 2015/16, these are planned to be achieved by 2016/17 and have been temporarily funded by identifying alternative corporate budgets that have been held but can be uncommitted in the current financial year. The other overspend in corporate budgets is in relation to the QICS PFI contract costing more than budget resulting in an overspend of £0.116m, additional overspends are due to ongoing non-distributable costs and added years pensions costs. These overspends have partly been offset by savings across various budget headings relating mainly to staffing recharges.					

Appendix 2**Amendments to Original Budget 2015/16**

	Total £'000	Adult Services £'000	Children's Services £'000	Commissi oning £'000	Public Health £'000	Resources & Support £'000	Corporate £'000
Original Budget as agreed by Council	215,842	70,410	54,893	82,190	1,934	7,766	(1,350)
<u>Quarter 1</u>							
Youth Centre Facility budgets	0	0	0	(267)	0	267	0
Other minor structure changes	0	0	29	0	39	(68)	0
IT post to Regulatory Services	0	0	0	40	0	(40)	0
Shrewsbury Town Council Contract Budget	0	0	0	29	0	0	(29)
Revised Budget	215,842	70,410	54,922	81,992	1,973	7,925	(1,379)



Committee and Date

Cabinet
29 July 2015

12.30 pm

Item

9

Public

CAPITAL MONITORING REPORT – QUARTER 1 2015/16

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

Tel: (01743) 255011

1. Summary

1.1 The purpose of this report is to inform Members of the current position for the Council's 2015/16 to 2018/19 capital programme taking into account the latest monitoring information on the progress of the schemes, any necessary budget increases and decreases and the re-profiling of budgets between 2015/16 and future years. The report reflects:

- The re-profiled 2015/16 budget of £65m and the future years capital programme budget;
- Expenditure to date of 10.6% of the revised budget;
- A projected outturn in line with the re-profiled budget of £65m; and
- The current funding of the programme and its future affordability.

2. Recommendations

Members are asked to:

- A. Approve net budget variations of £1.6m to the 2015/16 capital programme, detailed in Appendix 1/Table 1 and the re-profiled 2015/16 capital budget of £65m. Including new allocations of capital receipt funding as follows:
 - £279,970 for six new Solar PV installations on school roofs
- B. Approve the re-profiled capital budgets of £37.1m for 2016/17 and £27.8m for 2017/18 and £70k for 2018/19 as detailed in Appendix 1/Table 4.
- C. Accept the expenditure to date of £6.9m, representing 10.6% of the revised capital budget for 2015/16, with 25% of the year having elapsed.

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

3.1 Risk assessments are undertaken as part of the evaluation of all capital bids.

3.2 Capital receipt levels and the timing of receipts are dependant on planning approvals and prevailing market conditions.

3.3 Environmental appraisals are carried out for individual schemes as appropriate.

3.4 Community consultations are carried out for individual schemes as appropriate.

4. Financial Implications

4.1 This report considers the capital spend within the capital programme for 2015/16 and considers the impact that slippage within the programme will have on the financing of the capital programme in the future, including any future revenue implications.

5. Background

5.1 The capital programme for 2015/16 and future years, was updated as part of the Business Plan and Financial Strategy 2015/16 to 2016/17, approved by Council on 26 February 2015. This included updated allocations of capital grants and a review of and delivery schedule for schemes.

6. Original and latest proposed capital programme for 2015/16

6.1 The capital budget for 2015/16 is subject to change, the largest element being slippage from 2014/15 and re-profiling into future years. In Quarter 1 there has been a net budget decrease of £1.6m, compared to the position reported at Outturn 2014/15. Table 1 summarises the overall movement, between that already approved, and changes for Quarter 1 that require approval.

Table 1: Revised Capital Programme Quarter 3 2014/15

Service Area	Agreed Capital Programme - Council 26/02/15	Slippage and budget changes approved to Outturn 14/15	Quarter 1 budget changes to be approved	Revised 2015/16 Capital Programme Quarter 1
General Fund				
Commissioning	30,587,810	6,626,745	(1,366,694)	35,847,861
Adult Services	3,740,632	759,288	(550,000)	3,949,920
Children's Services	7,777,002	4,641,466	7,241	12,425,709
Resources & Support	2,856,717	1,689,035	279,970	4,825,722
Total General Fund	44,962,161	13,716,534	(1,629,483)	57,049,212
Housing Revenue Account	6,581,090	1,330,727	1,210	7,913,027
Total Approved Budget	51,543,251	15,047,261	(1,628,273)	64,962,239

- 6.2 Full details of all budget changes are provided in Appendix One to this report. A summary of the significant changes are detailed below:

Budget Increases

- Total funding of £470k through to 2020/21 from the Environment Agency for the Slow the Flow Project.
- New allocation of capital receipts of £279,970 for the installation of Solar PV on six primary schools. The implementation of these schemes will generate energy savings for the school and a Feed-in-Tariff income stream for the Council for 25 years, with a payback of around 11 years

Budget Re-profiling

- £2.2m has been re-profiled across the programme for schemes that will now not be delivered until 2016/17; the most significant areas are:
 - **Commissioning:** £1.5m under the Infrastructure & Growth - Growth Point budget. Split £0.5m Shrewsbury Growth Point, which is set aside for key economic growth projects for example Sustainable Urban Extension Schemes (SUEs), and the £1m in grant funding to be provided to Historic England for the regeneration of the Shrewsbury Flax mill. This has also been re-profiled, as the timeframe for expenditure is dependent on Historic England's project delivery, which is not expected to be this financial year. £120k has been re-profiled on affordable housing as the start of the Drapers Almshouses scheme has been delayed and now only 50% of the funding will be drawn down in 2015/16.
 - **Adult Services:** £0.55m has been re-profiled against the next three supported living bungalows. As the schemes will not feasibly be delivered until 2016/17, once sites are identified and planning permission obtained. For the London Road bungalow, the Council will no longer receive any Development Trust funding as the scheme cannot be delivered in time for their funding deadline. However, other funding options are being explored or the shortfall can be met from the Better Care Fund grant.

7. Current Capital Programme and Forecast Outturn

- 7.1 The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Table 2 summarises the outturn position for 2015/16.

Table 2: Current Capital Programme and Forecast Outturn Quarter 1 2015/16

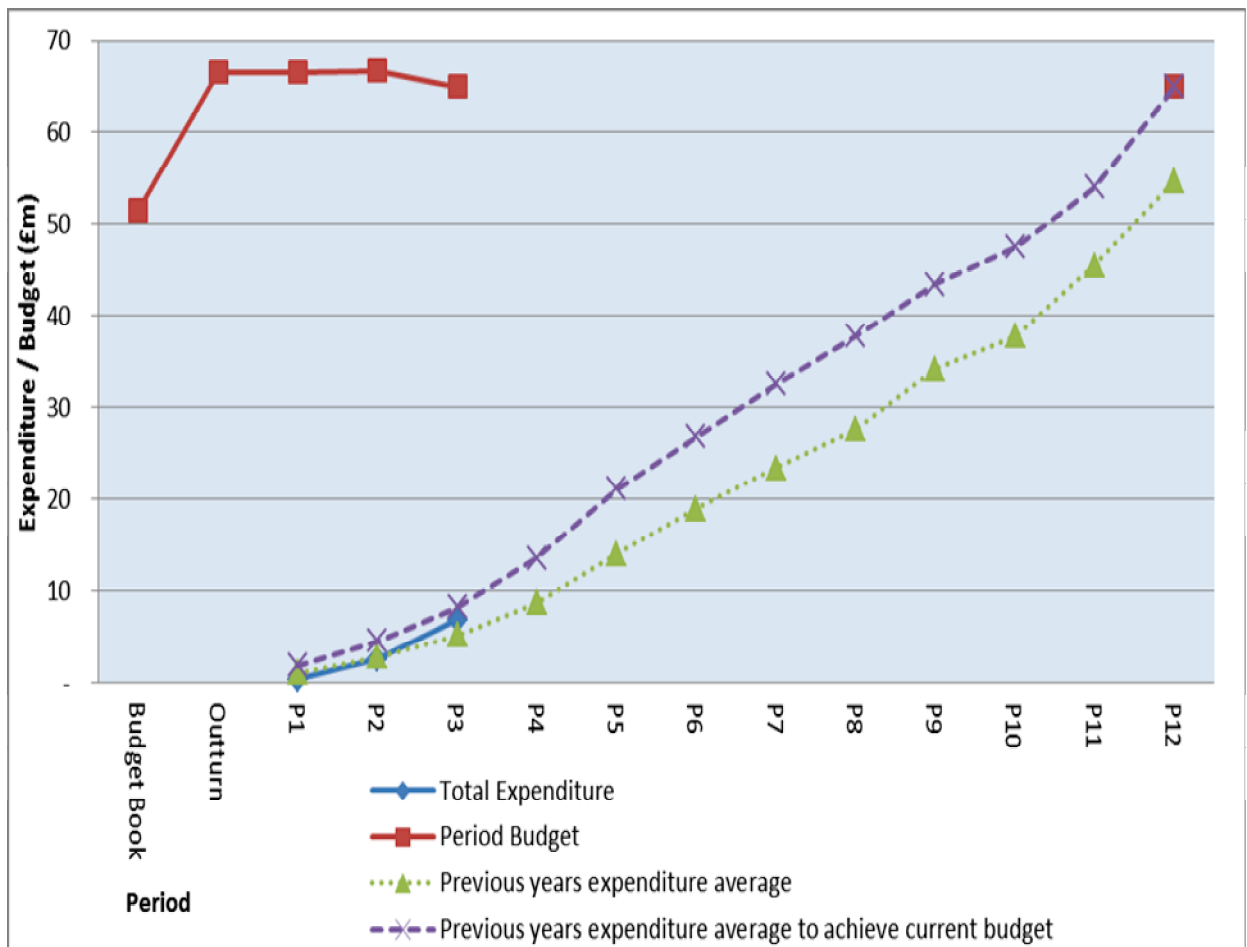
	2015/16 Revised Capital Programme	2015/16 Forecast Outturn	Variance
General Fund			
Expenditure	57,049,212	57,049,212	0
Financing	(57,049,212)	(57,049,212)	0
Shortfall/(surplus) In Resources	0	0	0
Housing Revenue Account			
Expenditure	7,913,027	7,913,027	0
Financing	(7,913,027)	(7,913,027)	0
Shortfall/(surplus) In Resources	0	0	0

8. Actual Expenditure to Date – *is the programme being delivered to plan?*

- 8.1 The actual capital expenditure at Quarter 1 is £6.9m, which represents 10.6% of the revised capital budget at Quarter 1, 25% of the year. This is low in comparison to the total budget, but is ahead of expenditure in recent previous years. This position reflects the programme for the delivery of individual capital schemes within the programme, with significant expenditure in quarter one on the Broadband and Mardol House Student Accommodation projects; but generally the majority of expenditure is not evenly distributed across the year and there is a higher concentration of spend profiled later in the financial year.
- 8.2 The programme will continue to be monitored throughout the year and re-profiled accordingly and as per section 6 there has already been some re-profiling within the programme.
- 8.3 Delays continue to be experienced in the delivery of the highways programme and requests for payments under the Ringway contract and as a result RAG status for progress of the programme has been rated 'Amber'. Contingency plans are being looked at for later in the year in the event that Ringway cannot deliver the current programme. However, schemes will need to be permitted and tendering schemes outside of the contract will be more expensive to the Council.
- 8.4 The infrastructure works at Mytton Oak Remembrance Park have been completed; however surface water drainage issues have been identified. Further drainage investigation works have been commissioned to resolve the drainage issue and these can currently be met from the remaining contingency within the budget.
- 8.5 Under Economic Growth & Prosperity the Small Business Loans schemes and the Growth Point schemes have both been rated as 'Amber' on delivery. As previously reported the drawdown of the loans has been lower than expected. A decision needs to be taken as to what level of funding the Council wishes to provide to any future loan schemes. Expenditure on the Growth Point schemes is directly linked to their progress, often involving external partners and influences i.e. changes in the economy and development viability. The allocation of this capital will be kept under review as part of the ongoing economic growth work.

- 8.6 Adult Services is another area where there have been significant levels of re-profiling and underspend in recent years. Some funding has already been re-profiled to 2016/17 and the service has been tasked with reviewing their programme for delivery in this year and plans for future year's scheme that will generate revenue savings.
- 8.7 Learning & Skills have been working with Premises Services to commission a number of their schemes in advance to enable delivery over the summer holiday period, as well as identifying non-intrusive works that can be delivered during term time. Thus the programme is at a more advanced stage of delivery at this point than in recent years and delivery will continue to be closely monitored throughout the year, with an assessment taken after the Summer Holidays works as to whether any unallocated monies can be re-profiled.
- 8.8 A significant element of the HRA programme is the New Build Phase 2, the budget has been profiled based on initial cash flow projections; however, this may need to be revised once the contract is issued and works commence, which is likely to be in quarter 3.
- 8.9 Graph One below shows actual expenditure by period and also tracks the period by period changes to the budget.

Graph 1: Total Expenditure and budget changes



9. Financing of the capital programme

9.1 Appendix 1 provides a full summary of the financing of the 2015/16 capital programme. Table 3 summarises the financing sources and changes made to Outturn 2014/15 and to be approved to Quarter 1.

Table 3: Revised Capital Programme Financing

Financing	Agreed Capital Programme - Council 26/02/15	Slippage and budget changes approved Outturn 14/15	Quarter 1 budget changes to be approved	Revised 2015/16 Capital Programme Quarter 1
Self-Financed Prudential Borrowing*	2,658,717	453,212	-	3,111,929
Government Grants	27,101,502	6,251,977	83,139	33,436,618
Other Grants	299,023	340,611	5,987	645,621
Other Contributions	-	97,678	172,821	270,499
Revenue Contributions to Capital	1,070,745	1,963,382	(70,190)	2,963,937
Major Repairs Allowance	4,712,856	1,064,901	-	5,777,757
Corporate Resources (expectation - Capital Receipts only)	15,700,408	4,875,500	(1,820,030)	18,755,878
Total Confirmed Funding	51,543,251	15,047,261	(1,628,273)	64,962,239

* Borrowing for which on-going revenue costs are financed by the Service, usually from revenue savings generated from the schemes.

10. Projected Longer Term Capital Programme to aid Medium Term Financial Plan

10.1 The updated capital programme is summarised by year and financing in Table 4 below:

Table 4: Capital Programme 2016/17 to 2018/19

Service Area	2016/17	2017/18	2018/19
General Fund			
Commissioning	27,335,216	16,613,000	70,000
Adult Services	660,000	-	-
Children's Services	5,228,259	7,666,783	-
Resources & Support	60,430	-	-
Total General Fund	33,283,905	24,279,783	70,000
Housing Revenue Account	3,843,000	3,550,000	-
Total Approved Budget	37,126,905	27,829,783	70,000
Financing			
Self-Financed Prudential Borrowing*	60,430	-	-
Government Grants	22,080,259	21,579,999	70,000
Other Grants	-	-	-
Other Contributions	-	-	-
Revenue Contributions to Capital	370,000	250,000	-
Major Repairs Allowance	3,600,000	3,550,000	-
Corporate Resources (expectation - Capital Receipts only)	11,016,216	2,449,784	-
Total Confirmed Funding	37,126,905	27,829,783	70,000

* Borrowing for which on-going revenue costs are financed by the Service, usually from revenue savings generated from the schemes.

- 10.2 Following the Business Plan and Financial Strategy 2015/16 to 2016/17 report the above programme has been made more affordable by matching capital receipts financing to projected receipts and reducing the potential element of corporately financed prudential borrowing that may be required and the associated ongoing revenue costs. The Corporate Resources financing line above is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. See section 11 for the current projected position.
- 10.3 In the Finance Strategy Update report also on this Cabinet agenda, Members have been asked to provisionally approve the business cases and financing for the Oxon Link Road and Shrewsbury Integrated Transport Package. These are not included in the above figures as will not be built into the capital programme until the business cases are approved and the external funding confirmed.

11. Capital Receipts Position

- 11.1 The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 5 below, summarises the current allocated and projected capital receipt position across 2015/16 to 2017/18. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are where they are highly likely to be completed by the end of the financial year, amber are where they are achievable, but challenging and thus there is a risk of slippage and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

Table 5: Projected capital receipts position

Detail	2015/16 £	2016/17 £	2017/18 £
Corporate Resources Allocated in Capital Programme	18,755,878	11,016,216	2,449,784
To be allocated from Ring Fenced Receipts	686,000	4,735,173	-
Total Commitments	19,441,878	15,751,389	2,449,784
Capital Receipts in hand/projected:			
Brought Forward in hand	14,106,162		
Generated 2015/16 YTD	713,661		
Projected - 'Green'	2,150,906	2,000,000	800,000
Total in hand/projected	16,970,730	2,000,000	800,000
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	2,471,148	13,751,389	1,649,784
Further Assets Being Considered for Disposal	9,209,845	9,275,400	5,395,000

- 11.2 Capital receipts of £14.1m were brought forward from 2014/15 and £0.7m has been generated in the first Quarter of 2015/15. A further £2.1m is currently projected as 'Green' for 2015/16. Based on the current programme for

2014/15 and schemes to be allocated from ring fenced receipts being delivered, this would result in a shortfall of £2.5m.

- 11.3 In addition to those projected as 'Green', there are a number of further disposals that have been identified for potential disposal. These receipts hold significant risk against delivery and therefore until the plans for disposals against these assets are formally agreed, these will not be included when considering the programmes affordability. On the basis that the current programme for 2015/16 and future years is unaffordable, further work is required on the deliverability of the list of assets being considered for disposal. Given that the larger disposals generally take between 12 and 18 months to be realised, it is important that work progresses at present, to avoid a funding shortfall in future years.
- 11.4 If the Council cannot generate the required level of capital receipts, the Council will need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.
- 11.5 In addition to the agreed capital programme there are a number of significant scheme business cases that are being developed. If these schemes are to progress they will all require some degree of Council funding, which is not currently allocated in the existing capital programme.

12. Unsupported borrowing and the revenue consequences

- 12.1 The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is projected to be around 4% for 2015/16. At this rate, £1m of Prudential Borrowing would result in additional revenue financing costs of £0.08m (MRP and interest cost) in the following year, reducing by £1,600 each year over the 25 year period. The Council is working towards generating sufficient capital receipts (see section 11); to avoid any unsupported borrowing requirement at lower level of borrowing could also be sustained through internal borrowing against Council balances, removing the need for any new external borrowing.
- 12.2 Council has approved borrowing of £7.5m for the purchase and refurbishment of Mardol House. This can be financed via internal borrowing against Council balances, avoiding the requirement for new external borrowing and the ongoing revenue costs of the borrowing will be financed from the additional income generated by the scheme.

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

Business Plan and Financial Strategy 2015/16 to 2016/17 – Council 26 February

Cabinet 29 July 2015: Capital Monitoring – Quarter 1 2015/16
2015 Capital Outturn Report – 2014/15 – Council 23 July 2015
Cabinet Member (Portfolio Holder) Keith Barrow, Leader of the Council. Portfolio holders
Local Member All
Appendices 1. Capital Budget and Expenditure 2015/16

This page is intentionally left blank

Shropshire Council - Capital Programme 2015/16 - 2018/19

Capital Programme Summary - Period 3

Scheme Description	Revised Budget Outturn 14/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 15/16 £	Actual Spend 26/06/15	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	Outturn % of Budget	2016/17 Revised Budget £
General Fund												
Commissioning	37,214,555	-	303,306	(1,670,000)	35,847,861	3,438,474	32,409,387	9.6%	35,847,861	-	100.00%	27,335,216
Adult Services	4,499,920	-	-	(550,000)	3,949,920	366,505	3,583,415	9.3%	3,949,920	-	100.00%	660,000
Children's Services	12,418,468	-	7,241	-	12,425,709	966,045	11,459,664	7.8%	12,425,709	-	100.00%	5,228,259
Resources & Support	4,545,752	-	279,970	-	4,825,722	1,352,946	3,472,776	28.0%	4,825,722	-	100.00%	60,430
Total General Fund	58,678,695	-	590,517	(2,220,000)	57,049,212	6,123,970	50,925,242	10.7%	57,049,212	-	100%	33,283,905
Housing Revenue Account	7,911,817	-	1,210	-	7,913,027	755,246	7,157,781	9.5%	7,913,027	-	100%	3,843,000
Total Approved Budget	66,590,512	-	591,727	(2,220,000)	64,962,239	6,879,215	58,083,024	10.6%	64,962,239	-	100%	37,126,905

RAG Analysis on Schemes

For Current year outturn expenditure on budget:

Red	Programmes that have a forecast outturn in excess of 10% of the current scheme budget
Amber	Programmes that have a forecast outturn in excess of 5% of the current scheme budget.
Green	Programmes that have a forecast outturn of less than or equal to the current programme.

Scheme progress:

Red	Scheme is significantly below profile at current period and not expected to deliver as original profile.
Amber	Scheme is below profile at current period and scheme will not deliver as original profile.
Green	Scheme on profile at current period and expected to be delivered as original profile.

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Outturn 2014/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 £	Actual Spend 26/06/15 £	Spend to Budget Variance £	Outturn Projection £	Outturn Variance Projection £	RAG Status Scheme on Budget	RAG Status Scheme Progress	Note	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
Commissioning																			
Community Action																			
Whitchurch Civic Centre	K5T48	N Willcox	857,297	826,831	30,466	-	-	-	30,466	-	30,466	30,466	-	Green	Green		-	-	-
Total					30,466	-	-	-	30,466	-	30,466	30,466	-				-	-	-
Waste Management																			
In Vessel Composting Facility	K6WM0	L Wolfe	325,000	-	-	-	-	-	-	-	-	-	-	Green	Green		325,000	-	-
Road Vanguard Way	K6WMB	L Wolfe	128,510	123,508	5,002	-	-	-	5,002	-	5,002	5,002	-	Green	Green		-	-	-
Total					5,002	-	-	-	5,002	-	5,002	5,002	-				325,000	-	-
Bereavement Services																			
Mytton Oak Remembrance Park - Shrewsbury	K6BS1	T Sneddon	1,078,000	954,505	123,495	-	-	-	123,495	14,975	108,520	123,495	-	Green	Amber		-	-	-
Total					123,495	-	-	-	123,495	14,975	108,520	123,495	-				-	-	-
Highways & Transport - LTP																			
Structural Maintenance of Bridges & Structures																			
Bridgeguard Rolling Programme	K6BG4	T Sneddon	Ongoing	59,756	3,000	(252)	-	-	2,748	2,748	-	2,748	-	Green	Amber		-	-	-
Bridgeguard - Unallocated	KBG01	T Sneddon	3,010,133	-	76,782	(66,649)	-	-	10,133	-	10,133	10,133	-	Green	Amber		1,500,000	1,500,000	-
Bridgeguard - Miscellaneous Expenditure	KBG02	T Sneddon	61,585	47,684	10,000	3,901	-	-	13,901	891	13,010	13,901	-	Green	Amber		-	-	-
Bridgeguard - Consultancy Fees	KBG03	T Sneddon	537,508	112,508	425,000	-	-	-	425,000	57,475	367,525	425,000	-	Green	Amber		-	-	-
Bridgeguard - Tern No 1 Bridge	KBG04	T Sneddon	386,469	369,644	16,825	-	-	-	16,825	-	16,825	16,825	-	Green	Amber		-	-	-
Bridgeguard - Hadnall Culvert	KBG05	T Sneddon	675,459	97,146	578,313	-	-	-	578,313	(1,326)	579,639	578,313	-	Green	Amber		-	-	-
Bridgeguard - Bankfields Lane Bridge	KBG06	T Sneddon	109,753	104,003	5,750	-	-	-	5,750	-	5,750	5,750	-	Green	Amber		-	-	-
Bridgeguard - Snaibeach Retaining Wall	KBG07	T Sneddon	12,385	2,385	10,000	-	-	-	10,000	-	10,000	10,000	-	Green	Amber		-	-	-
Bridgeguard - Church Window Bridge	KBG09	T Sneddon	95,944	86,995	8,949	-	-	-	8,949	8,950	(1)	8,949	-	Green	Amber		-	-	-
Bridgeguard - Wagbeach Footbridge	KBG11	T Sneddon	37,031	35,881	1,150	-	-	-	1,150	-	1,150	1,150	-	Green	Amber		-	-	-
Bridgeguard - Glazeley Bridge	KBG13	T Sneddon	70,400	67,750	2,650	-	-	-	2,650	-	2,650	2,650	-	Green	Amber		-	-	-
Bridgeguard - Outrack Bridge	KBG14	T Sneddon	56,327	6,327	50,000	-	-	-	50,000	-	50,000	50,000	-	Green	Amber		-	-	-
Bridgeguard - Mytton Bridge	KBG16	T Sneddon	144,560	14,560	130,000	-	-	-	130,000	40,030	89,970	130,000	-	Green	Amber		-	-	-
Bridgeguard - Bridgnorth Endowed Footbridge	KBG17	T Sneddon	92,049	17,049	75,000	-	-	-	75,000	-	75,000	75,000	-	Green	Amber		-	-	-
Bridgeguard - Ticklerton Bridge	KBG18	T Sneddon	138,002	13,002	125,000	-	-	-	125,000	308	124,692	125,000	-	Green	Amber		-	-	-
Bridgeguard - Bourton Bridge	KBG19	T Sneddon	25,183	5,183	20,000	-	-	-	20,000	-	20,000	20,000	-	Green	Amber		-	-	-
Bridgeguard - High House Lane Bridge	KBG20	T Sneddon	10,349	149	10,200	-	-	-	10,200	-	10,200	10,200	-	Green	Amber		-	-	-
Bridgeguard - Corve Footbridge	KBG21	T Sneddon	12,583	83	12,500	-	-	-	12,500	770	11,730	12,500	-	Green	Amber		-	-	-
Bridgeguard - Coybrook Bridge	KBG22	T Sneddon	9,066	66	9,000	-	-	-	9,000	-	9,000	9,000	-	Green	Amber		-	-	-
Bridgeguard - Colehurst Cottages Bridge	KBG23	T Sneddon	16,583	83	16,500	-	-	-	16,500	-	16,500	16,500	-	Green	Amber		-	-	-
Bridgeguard - Borlemail Bridge	KBG24	T Sneddon	15,666	166	15,500	-	-	-	15,500	50	15,450	15,500	-	Green	Amber		-	-	-
Bridgeguard - Linley No.2 Bridge	KBG25	T Sneddon	5,650	-	5,650	-	-	-	5,650	50	5,600	5,650	-	Green	Amber		-	-	-
Bridgeguard - Cound Arbour Bridge	KBG26	T Sneddon	19,056	356	18,700	-	-	-	18,700	-	18,700	18,700	-	Green	Amber		-	-	-
Bridgeguard - Boreton Road Bridge	KBG28	T Sneddon	10,000	-	10,000	-	-	-	10,000	-	10,000	10,000	-	Green	Amber		-	-	-
Bridgeguard - Twmpath Bridge	KBG29	T Sneddon	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
Bridgeguard - Wheelbarrow	KBG30	T Sneddon	6,452	1,452	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
Bridgeguard - Plox Green No.2	KBG31	T Sneddon	73,885	8,885	65,000	-	-	-	65,000	272	64,728	65,000	-	Green	Amber		-	-	-
Bridgeguard - Eaton No.3	KBG32	T Sneddon	13,297	8,297	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
Bridgeguard - Sandyford Bridge	KBG33	T Sneddon	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
RoW - Blue Bridge	KBG34	T Sneddon	100,000	-	100,000	-	-	-	100,000	-	100,000	100,000	-	Green	Amber		-	-	-
Bridgeguard - Little Tasker Farm Bridge	KBG35	T Sneddon	5,430	430	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
Bridgeguard - Bridgnorth Bypass	KBG36	T Sneddon	31,031	6,031	25,000	-	-	-	25,000	20,745	4,255	25,000	-	Green	Amber		-	-	-
Bridgeguard - Catherton Gate Cattle Grid Replacement	KBG38	T Sneddon	25,000	-	-	25,000	-	-	-	-	25,000	25,000	-	Green	Amber		-	-	-
Bridgeguard - Morville No 1 Footbridge	KBG39	T Sneddon	15,000	-	-	15,000	-	-	-	-	15,000	15,000	-	Green	Amber		-	-	-
Bridgeguard - Morville No 2 Footbridge	KBG40	T Sneddon	5,000	-	-	5,000	-	-	-	-	5,000	5,000	-	Green	Amber		-	-	-
Bridgeguard - Eaton Brook Footbridge	KBG41	T Sneddon	18,000	-	-	18,000	-	-	-	-	18,000	18,000	-	Green	Amber		-	-	-
Bridgeguard - Severe Weather Schemes	KBG9M	T Sneddon	147,478	146,978	500	-	-	-	500	602	(102)	500	-	Green	Amber		-	-	-
Total					1,851,969	-	-	-	1,851,969	131,564	1,720,405	1,851,969	-				1,500,000	1,500,000	-
Structural Maintenance of Roads																			
Structural Maintenance of Principal Roads		T Sneddon	Ongoing		4,064,179	242,415	-	-	4,306,594	279,156	4,027,438	4,306,594	-	Green	Amber		-	-	-
Structural Maintenance of Secondary Roads			Ongoing		10,492,542	171,692	4,110	-	10,668,344	1,177,386	9,490,958	10,668,344	-	Green	Amber		300,000	-	-
Structural Maintenance of all Roads					2,440,105	(414,107)	-	-	2,025,998	115,271	1,910,727	2,025,998	-	Green	Amber		13,324,000	13,167,000	-
Total					16,996,826	-	4,110	-	17,000,936	1,571,813	15,429,123	17,000,936	-				13,624,000	13,167,000	-
Street Lighting																			
Programme of structural replacement of lighting columns	K6SL1	J Hughes	Ongoing		843,699	-	-	-	843,699	85,910	757,789	843,699	-	Green	Green		-	-	-
Street Lighting LED Conversions	K6SL2	J Hughes	Ongoing		116,387	-	-	-	116,387	-	100,000	116,387	-	Green	Green		-	-	-
Part Night Lighting	K6SL3	J Hughes	Ongoing		30,161	-	-	-	30,161	(67)	30,228	30,161	-	Green	Green		-	-	-
Total					990,247	-	-	-	990,247	102,230	888,017	990,247	-				-	-	-
Local Transport Plan - Integrated Transport Plan																			
Pedestrian & Cycle Facilities																			
Central																			
ITP Central - A488 Pontesbury to Minsterley Cycle Route	KST03	V Merrill	194,184	170,184	24,000	-	-	-	24,000	-	24,000	24,000	-	Green	Amber		-	-	-
ITP Central - A458 Old Potts Way Cycle/Pedestrian crossing	KST04	V Merrill	27,106	22,106	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber		-	-	-
ITP Central - St Julians Friars shared space, Shrewsbury	KST06	V Merrill	279,584	264,584	15,000	-	-	-	15,000	-	15,000	15,000	-	Green	Amber		-	-	-
ITP Central - Greenfields Cycleways	KST09	V Merrill	40,000	-	40,000	-	-	-	40,000	-	40,000	40,000	-	Green	Amber		-	-	-
ITP Central - Hazledine Way (Derstriction to Reabrook round)	KST10	V Merrill	31,741	1,741	30,000	-	-	-	30,000	-	30,000	30,000	-	Green	Amber		-	-	-

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Outturn 2014/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 £	Actual Spend 26/06/15 £	Spend to Budget Variance £	Outturn Projection £	Outturn Variance Projection £	RAG Status Scheme on Budget	RAG Status Scheme Progress	Note	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
ITP North - B4396 Knockin Village speed reduction	KTR09	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP North - A49 Hadnall to Preston Brook safety	KTR10	V Merrill	16,390	4,376	12,014	-	-	-	12,014	(42)	12,056	12,014	-	Green	Amber	-	-	-	-
ITP North - Chirk Road Gobowen speed reduction	KTR11	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP North - B5065 Soutton road speed reduction	KTR12	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP North - A49 Prees Higher Heath speed reduction	KTR13	V Merrill	16,833	4,833	12,000	-	-	-	12,000	-	12,000	12,000	-	Green	Amber	-	-	-	-
ITP North - B5063 The Blamer speed reduction	KTR14	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP North - A528 Speed Reduction Cockshutt	KTR27	V Merrill	10,000	-	-	10,000	-	-	10,000	-	10,000	10,000	-	Green	Amber	-	-	-	-
ITP North - A529 Hinstock Safety Measures	KTR45	V Merrill	8,000	-	-	8,000	-	-	8,000	-	8,000	8,000	-	Green	Amber	-	-	-	-
South																			
ITP South - A442 Norton	KTR15	V Merrill	10,000	-	10,000	-	-	-	10,000	-	10,000	10,000	-	Green	Amber	-	-	-	-
ITP South - A456 Burford Speed Reduction	KTR16	V Merrill	46,106	42,624	3,482	-	-	-	3,482	7,438	(3,956)	3,482	-	Green	Amber	-	-	-	-
ITP South - A5 Burlington safety	KTR18	V Merrill	34,222	-	34,222	-	-	-	34,222	-	34,222	34,222	-	Green	Amber	-	-	-	-
ITP South - B4176 Upper Aston junction improvement	KTR19	V Merrill	3,765	3,448	317	-	-	-	317	546	(229)	317	-	Green	Amber	-	-	-	-
ITP South - B4555 Severn Centre Highley traffic calming	KTR20	V Merrill	29,105	666	28,439	(20,000)	-	-	8,439	3,892	4,547	8,439	-	Green	Amber	20,000	-	-	-
ITP South - A458 Morville Road Safety Improvements	KTR21	V Merrill	3,015	2,973	42	-	-	-	42	-	42	42	-	Green	Amber	-	-	-	-
ITP South - Hope Valley Speed Reduction	KTR22	V Merrill	7,000	-	-	7,000	-	-	7,000	-	7,000	7,000	-	Green	Amber	-	-	-	-
ITP South - Chorley speed limit	KTR23	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP South - B4378 Shipton speed limit	KTR24	V Merrill	5,102	102	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
ITP South - Ironbridge Road Broseley Speed Reduction	KTR25	V Merrill	2,629	943	1,686	-	-	-	1,686	-	1,686	1,686	-	Green	Amber	-	-	-	-
ITP South - A4169 Sheinton Street Much Wenlock	KTR26	V Merrill	70,000	-	70,000	-	-	-	70,000	-	70,000	70,000	-	Green	Amber	-	-	-	-
ITP South - A454 Spoonleygate Crossroads Improvement	KTR29	V Merrill	1,000	-	-	1,000	-	-	1,000	-	1,000	1,000	-	Green	Amber	-	-	-	-
ITP South - A41 Stanton Road Junction Improvement Tong	KTR30	V Merrill	7,000	-	-	7,000	-	-	7,000	-	7,000	7,000	-	Green	Amber	-	-	-	-
ITP South - Coalport Road Traffic Management, Broseley	KTR31	V Merrill	10,000	-	-	10,000	-	-	10,000	-	10,000	10,000	-	Green	Amber	-	-	-	-
ITP South - B4373 Bridgnorth Rd Speed Reduction, Broseley	KTR38	V Merrill	10,700	-	-	10,700	-	-	10,700	-	10,700	10,700	-	Green	Amber	-	-	-	-
ITP South - Dark Lane Broseley Road Safety	KTR40	V Merrill	10,000	-	-	10,000	-	-	10,000	-	10,000	10,000	-	Green	Amber	-	-	-	-
ITP South - Henley Road, Ludlow sign scheme	KST15	V Merrill	27,012	2,012	25,000	-	-	-	25,000	-	25,000	25,000	-	Green	Amber	-	-	-	-
Total					279,616	205,700			485,316	13,141	472,175	485,316					20,000		
Traffic Management																			
Central																			
ITP Central - Traffic Management Crowmere & Belvidere sch	KTM01	V Merrill	107,266	102,266	5,000	-	-	-	5,000	1,650	3,350	5,000	-	Green	Amber	-	-	-	-
ITP Central - Racecourse Lane, Shrewsbury	KTM03	V Merrill	12,731	1,925	3,306	7,500	-	-	10,806	3,395	7,411	10,806	-	Green	Amber	-	-	-	-
ITP Central - Eaton Constantine traffic management	KTM05	V Merrill	58,018	4,871	53,147	-	-	-	53,147	4,083	49,064	53,147	-	Green	Amber	-	-	-	-
ITP Central - Cross Street Bridge, Shrewsbury, Warning Sign	KTM12	V Merrill	5,000	-	-	5,000	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
South																			
ITP South - B4386 Little Brampton/Purslow crossroads	KTM08	V Merrill	7,856	7,856	-	-	-	-	-	167	(167)	-	-	Green	Amber	-	-	-	-
ITP South - A464 Upton Crossroads Shifnal signs	KTM09	V Merrill	20,000	-	20,000	-	-	-	20,000	-	20,000	20,000	-	Green	Amber	-	-	-	-
ITP South - Albrighton cross road	KTM10	V Merrill	3,500	-	3,500	-	-	-	3,500	-	3,500	3,500	-	Green	Amber	-	-	-	-
Total					84,953	12,500			97,453	9,295	88,158	97,453							
Parking Infrastructure																			
Countywide																			
ITP Countywide - Parking Strategy Improvements	KTP02	V Merrill	40,000	-	40,000	-	-	-	40,000	-	40,000	40,000	-	Green	Amber	-	-	-	-
South																			
ITP South - The Innage Shifnal Parking	KTP01	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000	5,000	-	Green	Amber	-	-	-	-
Total					45,000				45,000		45,000	45,000							
Network Improvements																			
Countywide																			
ITP Countywide - Bus Shelters	KTN02	V Merrill	57,677	7,677	25,000	25,000	-	-	50,000	16,466	33,534	50,000	-	Green	Amber	-	-	-	-
South																			
ITP South - Shifnal Network Improvement (S106)	KTN03	V Merrill	40,803	40,803	-	-	-	-	-	-	-	-	-	Green	Amber	-	-	-	-
Total					25,000	25,000			50,000	16,466	33,534	50,000							
Integrated Transport Unallocated																			
Countywide																			
ITP Countywide - Unallocated	KT000	V Merrill	Ongoing		286,258	(189,384)	-	-	96,874	-	96,874	96,874	-	Green	Amber	-	1,272,184	1,626,000	-
Area Small Works - Central	KT001	V Merrill	Ongoing		-	-	-	-	-	-	-	-	-	Green	Amber	-	-	-	-
Area Small Works - North	KT002	V Merrill	Ongoing		10,630	-	-	-	10,630	888	9,743	10,630	-	Green	Amber	-	-	-	-
Area Small Works - South	KT003	V Merrill	Ongoing		-	-	-	-	-	-	-	-	-	Green	Amber	-	-	-	-
Total					296,888	(189,384)			107,504	888	106,617	107,504					1,272,184	1,626,000	
Total Integrated Transport Plan					1,723,575		73,882		1,797,457	117,001	1,680,456	1,797,457					1,626,000	1,626,000	
Total Highways & Transport - LTP					21,562,617		77,992		21,640,609	1,922,608.02	19,718,001	21,640,609					16,750,000	16,293,000	
LEP Schemes																			
LEP Oxon Relief Road Project	KOX01	A Evans	368,000	172,326	195,674	-	-	-	195,674	30,000	165,674	195,674	-	Green	Green	-	-	-	-
LEP Shrewsbury Integrated Transport Package	KIT01	A Evans	422,000	309,720	112,280	-	-	-	112,280	35,000	77,280	112,280	-	Green	Green	-	-	-	-
Total					307,954				307,954	65,000	242,954	307,954							
Flood Defences & Water Management																			
Much Wenlock - Flood & Water Management	K6FW1	D Edwards	807,572	210,728	596,844	-	-	-	596,844	18,424	578,420	596,844	-	Green	Green	-	-	-	-
Craven Arms - Flood & Water Management	K6FW2	D Edwards	70,000	43,951	26,049	-	-	-	26,049	-	26,049	26,049	-	Green	Green	-	-	-	-
Shifnal - Flood & Water Management	K6FW4	D Edwards	185,000	36,835	148,165	-	-	-	148,165	-	148,165	148,165	-	Green	Green	-	-	-	-
Oswestry - Flood & Water Management	K6FW5	D Edwards	91,640	85,648	5,992	-	-	-	5,992	-	5,992	5,992	-	Green	Green	-	-	-	-
Shrewsbury - Flood & Water Management	K6FW6	D Edwards	158,262	125,400	32,862	-	-	-	32,862	-	32,862	32,862	-	Green	Green	-	-	-	-

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Outturn 2014/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 £	Actual Spend 26/06/15 £	Spend to Budget Variance £	Outturn Projection £	Outturn Variance Projection £	RAG Status on Budget	RAG Status Scheme Progress	Note	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
Broadband Project - Milestone 3	KB003	C Taylor	1,749,657	-	-	-	-	-	-	-	-	-	-	Green	Green		1,749,657	-	-
Total					7,703,938	-	-	-	7,703,938	1,222,260	6,481,678	7,703,938	-				4,730,616	-	-
Total Business Growth and Prosperity					13,246,185	-	99,606	(1,670,000)	11,675,791	1,350,560	10,324,095	11,675,791	-				9,908,216	-	-
Public Protection																			
Private Sector Housing																			
Market Drayton Empty Property Incentive Grant	K5P14	K Collier	300,000	170,744	129,256	-	-	-	129,256	60,977	68,279	129,256	-	Green	Green		-	-	-
Oswestry Area Empty Property Incentive Grant	K5P15	K Collier	100,000	58,030	141,970	-	(100,000)	-	41,970	221	41,749	41,970	-	Green	Green		-	-	-
Whitchurch Area Empty Property Incentive Grant	K5P17	K Collier	200,000	-	200,000	-	-	-	200,000	-	200,000	200,000	-	Green	Green		-	-	-
Shropshire County Empty Property Incentive Grant	KPS01	K Collier	650,000	-	-	-	150,000	-	150,000	-	150,000	150,000	-	Green	Green		250,000	250,000	-
Total					471,226	-	50,000	-	521,226	61,198	460,028	521,226	-				250,000	250,000	-
Total Public Protection					471,226	-	50,000	-	521,226	61,198	460,028	521,226	-				250,000	250,000	-
Total Commissioning					37,214,555	-	303,306	(1,670,000)	35,847,861	3,438,474	32,408,252	35,847,861	-				27,335,216	16,613,000	70,000
Adult Services																			
Social Care																			
Adults - DoH Grant	KA000	R Houghton	Ongoing	-	542,632	(244,229)	-	-	298,403	-	298,403	298,403	-	Green	Green		-	-	-
Mount Pleasant - Shared Development Site	K5B60	R Houghton	470,253	454,960	15,293	-	-	-	15,293	-	15,293	15,293	-	Green	Green		-	-	-
Avalon - Office Extension & Alterations	K5B76	R Houghton	71,880	68,595	18,739	(15,454)	-	-	3,285	-	3,285	3,285	-	Green	Green		-	-	-
Telecare Call Monitoring	K5B88	R Houghton	251,413	49,001	202,412	-	-	-	202,412	25,765	176,647	202,412	-	Green	Green		-	-	-
IT Mobile Flexible Working	K5B89	R Houghton	200,000	19,784	180,216	-	-	-	180,216	-	180,216	180,216	-	Green	Green		-	-	-
Safe Place Hub - ALD's Louise House	K5B91	R Houghton	50,000	-	50,000	-	-	-	50,000	-	50,000	50,000	-	Green	Green		-	-	-
Development Trust Bungalow - Raven Site, Market Drayton	K5B94	R Houghton	2,172,058	1,798,508	373,550	-	-	-	373,550	65,425	308,125	373,550	-	Green	Green		-	-	-
Shrop Lives Dementia Respite Adaptations	K5B98	R Houghton	7,087	-	7,613	(526)	-	-	7,087	7,088	(1)	7,087	-	Green	Green		-	-	-
Adult Social Care Community Capital Grant Scheme	K5B01	R Houghton	40,000	1,000	39,000	-	-	-	39,000	-	39,000	39,000	-	Green	Green		-	-	-
IT Software - Implementation of Care Bill	K5B02	R Houghton	279,000	15,850	263,150	-	-	-	263,150	-	263,150	263,150	-	Green	Green		-	-	-
Extra Care Initiative	K5B03	R Houghton	-	-	39,791	(39,791)	-	-	-	-	-	-	-	Green	Green		-	-	-
Baschurch Assisted Living Bungalow - Phase 3	K5B04	R Houghton	530,000	23,125	406,875	100,000	(20,000)	-	486,875	195	486,680	486,875	-	Green	Green		20,000	-	-
London Road Assisted Living Bungalow - Phase 4	K5B05	R Houghton	320,000	-	120,000	200,000	-	(220,000)	100,000	-	100,000	100,000	-	Green	Green		220,000	-	-
Adult Social Care Bungalow - Phase 5	K5B06	R Houghton	470,000	-	360,000	-	(310,000)	-	50,000	-	50,000	50,000	-	Green	Green		420,000	-	-
Kenilworth/Aquamira Gas Installation	KA001	R Houghton	15,000	-	15,000	-	-	-	15,000	-	15,000	15,000	-	Green	Green		-	-	-
Autism Innovation Capital Grant	KA002	R Houghton	18,500	10,180	8,320	-	-	-	8,320	840	7,480	8,320	-	Green	Green		-	-	-
Transforming Care - Adaptations Grant	KA003	R Houghton	25,000	-	25,000	-	-	-	25,000	-	25,000	25,000	-	Green	Green		-	-	-
Total					2,667,591	-	-	(550,000)	2,117,591	99,313	2,018,278	2,117,591	-				660,000	-	-
Housing Health & Wellbeing																			
Disabled Facilities Grants	K5P03	A Begley	Ongoing	1,304,923	1,832,329	-	-	-	1,832,329	267,192	1,565,137	1,832,329	-	Green	Green		-	-	-
Total					1,832,329	-	-	-	1,832,329	267,192	1,565,137	1,832,329	-				-	-	-
Total Adult Services					4,499,920	-	-	(550,000)	3,949,920	366,505	3,583,415	3,949,920	-				660,000	-	-
Children's Services																			
Children's Safeguarding																			
Children's Residential Care																			
Children's Residential Care - Buildings Conversion	K3A47	K Bradshaw	35,334	959	34,375	-	-	-	34,375	-	34,375	34,375	-	Green	Green		-	-	-
Total					34,375	-	-	-	34,375	-	34,375	34,375	-				-	-	-
Youth Work																			
Youth - Oswestry Teenspace	K3EY4	S Wilkins	2,735,667	2,687,271	48,396	-	-	-	48,396	-	48,396	48,396	-	Green	Green		-	-	-
Total					48,396	-	-	-	48,396	-	48,396	48,396	-				-	-	-
Total Children's Safeguarding					82,771	-	-	-	82,771	-	82,771	82,771	-				-	-	-
Learning & Skills																			
Early Years																			
Short Breaks	K3L59	N Ward	453,887	444,806	9,081	-	-	-	9,081	-	9,081	9,081	-	Green	Green		-	-	-
Early Years Unallocated	KLE00	N Ward	Ongoing	-	94,111	(89,000)	-	-	5,111	-	5,111	5,111	-	Green	Green		-	-	-
Ludlow Junior School Early Years	KLE01	N Ward	69,000	-	69,000	-	-	-	69,000	-	69,000	69,000	-	Green	Green		-	-	-
Brown Clew Nursery	K3L01	N Ward	282,722	261,008	21,714	-	-	-	21,714	-	21,714	21,714	-	Green	Green		-	-	-
Mereside Primary - St Giles Pre-school Extension & Refurbishment	K3L06	N Ward	220,000	385	219,615	-	-	-	219,615	195	219,420	219,615	-	Green	Green		-	-	-
Broseley John Wilkinson Primary Early Years	K3L11	N Ward	250,000	105	199,895	50,000	-	-	249,895	-	249,895	249,895	-	Green	Green		-	-	-
Worthen Primary Early Years	K3L12	N Ward	130,000	-	100,000	30,000	-	-	130,000	-	130,000	130,000	-	Green	Green		-	-	-
Whitchurch Children's Centre	K3L14	N Ward	150,000	1,075	208,925	(60,000)	-	-	148,925	-	148,925	148,925	-	Green	Green		-	-	-
Total					853,341	-	-	-	853,341	195	853,146	853,341	-				-	-	-
Primary Schools																			
Primary School Refurbishment Unallocated	KLP00	P Wilson	Ongoing	-	21,461	(18,475)	-	-	2,986	-	2,986	2,986	-	Green	Green		-	-	-
Chirbury - School House Refurbishment	K3I22	P Wilson	96,314	59,976	36,338	-	-	-	36,338	36,338	-	36,338	-	Green	Green		-	-	-
Highley - Reconfigure Office Area & Accessible Toilet	K3A08	P Wilson	90,000	618	89,382	-	-	-	89,382	-	89,382	89,382	-	Green	Green		-	-	-

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Outturn 2014/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 £	Actual Spend 26/06/15 £	Spend to Budget Variance £	Outturn Projection £	Outturn Variance Projection £	RAG Status Scheme on Budget	RAG Status Scheme Progress	Note	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
Fire Safety Schemes																			
Fire Safety - Unallocated	KLF00	P Wilson	Ongoing	-	326,943	(30,356)	-	-	296,587	-	296,587	296,587	-	Green	Green		-	-	-
Fire Safety - Woodlands (Wem)	K3V42	P Wilson	79,801	47,259	22,197	10,345	-	-	32,542	-	32,542	32,542	-	Green	Green		-	-	-
Fire Safety - Radbrook	K3V45	P Wilson	20,006	-	19,468	538	-	-	20,006	18,557	1,449	20,006	-	Green	Green		-	-	-
Fire Safety - Shifnal Primary	K3V46	P Wilson	46,387	-	27,529	18,858	-	-	46,387	3,297	43,090	46,387	-	Green	Green		-	-	-
Fire Safety - Whitchurch Infants	K3V47	P Wilson	24,292	-	23,677	615	-	-	24,292	24,620	(328)	24,292	-	Green	Green		-	-	-
Fire Safety - Shifnal St Andrews	KLF01	P Wilson	-	-	-	-	-	-	-	638	(638)	-	-	Green	Green		-	-	-
Fire Safety - Sundorne Infant	KLF02	P Wilson	-	-	-	-	-	-	-	638	(638)	-	-	Green	Green		-	-	-
Fire Safety - Oswestry Meadows	KLF03	P Wilson	-	-	-	-	-	-	-	495	(495)	-	-	Green	Green		-	-	-
Fire Safety - Belvidere Primary	KLF04	P Wilson	-	-	-	-	-	-	-	536	(536)	-	-	Green	Green		-	-	-
Fire Safety - Alveley Primary	KLF05	P Wilson	-	-	-	-	-	-	-	401	(401)	-	-	Green	Green		-	-	-
Fire Safety - Minsterley Primary	KLF06	P Wilson	-	-	-	-	-	-	-	426	(426)	-	-	Green	Green		-	-	-
Total					419,814	-	-	-	419,814	49,608	370,206	419,814	-				-	-	-
Special Education Needs																			
Schools Access Initiative Unallocated	KLD00	P Wilson	Ongoing	-	236,038	-	-	-	236,038	-	236,038	236,038	-	Green	Green		-	-	-
Kettlemere Centre - Lakelands	K3CX0	P Wilson	1,014,540	832,426	182,114	-	-	-	182,114	73,137	108,977	182,114	-	Green	Green		-	-	-
Woodlands Outreach Int Works	K3CX9	P Wilson	15,349	2,340	13,009	-	-	-	13,009	-	13,009	-	-	Green	Green		-	-	-
Total					431,161	-	-	-	431,161	73,137	358,024	431,161	-				-	-	-
Devolved Formula Capital & UIFSM - Allocated by schools		P Wilson	Ongoing		2,121,277	(50,462)	7,241		2,078,056	198,528	1,879,528	2,078,056		Green	Green		-	-	-
Total Learning & Skills					12,335,697	-	7,241		12,342,938	966,045	11,376,893	12,342,938	-				5,228,259	7,666,783	-
Total Children's Services					12,418,468	-	7,241		12,425,709	966,045	11,459,664	12,425,709	-				5,228,259	7,666,783	-
Resources & Support																			
Customer Care & Support Services																			
Property Services																			
Mardon House Acquisition	KRP02	S Jackson	4,160,000	4,160,000	1,000	(1,000)	-	-	-	-	-	-	-	Green	Green		-	-	-
Mardon House Adaptation and Refit	KRP03	S Jackson	3,640,000	167,641	3,410,929	1,000	-	-	3,411,929	1,067,466	2,344,463	3,411,929	-	Green	Green		60,430	-	-
Total					3,411,929	-	-	-	3,411,929	1,067,466	2,344,463	3,411,929	-				60,430	-	-
Estates & Facilities - Energy & Sustainability																			
Shawbury St Marys Solar PV	KRV01	S Law	66,548	193	66,355	-	-	-	66,355	-	66,355	66,355	-	Green	Green		-	-	-
Higley Primary Solar PV	KRV02	S Law	52,800	-	-	-	52,800	-	52,800	-	52,800	52,800	-	Green	Green		-	-	-
Bishops Castle Primary Solar PV	KRV03	S Law	43,900	-	-	-	43,900	-	43,900	-	43,900	43,900	-	Green	Green		-	-	-
Weston Rhyn Primary Solar PV	KRV04	S Law	38,320	-	-	-	38,320	-	38,320	-	38,320	38,320	-	Green	Green		-	-	-
St Peters Primary Solar PV	KRV05	S Law	47,500	-	-	-	47,500	-	47,500	-	47,500	47,500	-	Green	Green		-	-	-
Harlescott Junior Solar PV	KRV06	S Law	50,250	-	-	-	50,250	-	50,250	-	50,250	50,250	-	Green	Green		-	-	-
Mount Pleasant Primary Solar PV	KRV07	S Law	47,200	-	-	-	47,200	-	47,200	-	47,200	47,200	-	Green	Green		-	-	-
Total					66,355	-	279,970	-	346,325	-	346,325	346,325	-				-	-	-
Estates & Facilities - Small Holdings																			
The Clamp - Smallholding Refurbishment	KCS03	S Law	149,940	6,207	143,733	-	-	-	143,733	-	143,733	143,733	-				-	-	-
Total					143,733	-	-	-	143,733	-	143,733	143,733	-				-	-	-
Estates & Facilities - Gypsy Sites																			
Gypsy Site - Park Hall, Oswestry	K6T01	S Law	520,000	434,784	85,216	-	-	-	85,216	-	85,216	85,216	-	Green	Green		-	-	-
Gypsy Site - Long Lane, Craven Arms	K6T02	S Law	311,999	267,595	44,404	-	-	-	44,404	-	44,404	44,404	-	Green	Green		-	-	-
Gypsy Site - Manor House Lane	K6T03	S Law	607,475	309,076	298,399	-	-	-	298,399	155,798	142,601	298,399	-	Green	Green		-	-	-
Gypsy Sites - Whittington Phase 2	K6T04	S Law	677,220	352,234	324,986	-	-	-	324,986	79,163	245,823	324,986	-	Green	Green		-	-	-
Gypsy Sites - Craven Arms Phase 2	K6T05	S Law	483,729	331,027	152,702	-	-	-	152,702	43,675	109,027	152,702	-	Green	Green		-	-	-
Total					905,707	-	-	-	905,707	278,636	627,071	905,707	-				-	-	-
Total Customer Care & Support Services					4,527,724	-	279,970	-	4,807,694	1,346,102	3,461,592	4,807,694	-				60,430	-	-
Legal Strategy & Democratic																			
Elections																			
A3 Forms Hardware Funding	KLGO2	S Ijewsky	29,358	11,330	18,028	-	-	-	18,028	6,844	11,184	18,028	-	Green	Green		-	-	-
Total					18,028	-	-	-	18,028	6,844	11,184	18,028	-				-	-	-
Total Resources & Support					4,545,752	-	279,970	-	4,825,722	1,352,946	3,472,776	4,825,722	-				60,430	-	-
Total General Fund Capital Programme					58,678,695	-	590,517	(2,220,000)	57,049,212	6,123,970	50,924,107	57,049,212	-				33,283,905	24,279,783	70,000

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Outturn 2014/15 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q1 £	Actual Spend 26/06/15 £	Spend to Budget Variance £	Outturn Projection £	Outturn Variance Projection £	RAG Status Scheme on Budget	RAG Status Scheme Progress	Note	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
Housing Revenue Account																			
Major Repairs Programme - SC Contracts																			
Housing Major Repairs Programme	K5P01	A Begley	Ongoing		159,359	-	-	-	159,359	-	159,359	159,359	-	Green	Green		3,600,000	3,550,000	-
Disabled Adaptations	K5P24	A Begley	Ongoing		12,863	-	-	-	12,863	-	12,863	12,863	-	Green	Green		-	-	-
Heating/Kitchen Void Works	K5P44	A Begley	Ongoing		19,858	-	-	-	19,858	-	19,858	19,858	-	Green	Green		-	-	-
Asbestos Removal	K5P45	A Begley	Ongoing		53,914	-	-	-	53,914	2,225	51,689	53,914	-	Green	Green		-	-	-
Total					245,994	-	-	-	245,994	2,225	243,769	245,994	-				3,600,000	3,550,000	-
Major Repairs Programme - STAR Housing Contracts																			
STAR Rewires	K5R02	A Begley	800,001	467,827	332,174	-	-	-	332,174	68,373	263,801	332,174	-	Green	Green		-	-	-
STAR Electrical Remedial Works	K5R04	A Begley	609,316	352,892	256,424	-	-	-	256,424	39,289	217,135	256,424	-	Green	Green		-	-	-
STAR Roofing	K5R05	A Begley	550,000	206,028	343,972	-	-	-	343,972	-	343,972	343,972	-	Green	Green		-	-	-
STAR Major Works	K5R06	A Begley	345,091	178,471	166,620	-	-	-	166,620	21,412	145,208	166,620	-	Green	Green		-	-	-
STAR Kitchens & Bathrooms	K5R07	A Begley	1,505,800	1,055,800	450,000	-	-	-	450,000	8,704	441,296	450,000	-	Green	Green		-	-	-
STAR Fire Safety Works	K5R08	A Begley	244,000	96,756	147,244	-	-	-	147,244	11,380	135,864	147,244	-	Green	Green		-	-	-
STAR One Off Doors	K5R09	A Begley	50,000	33,782	16,218	-	-	-	16,218	5,123	11,095	16,218	-	Green	Green		-	-	-
STAR External Doors	K5R11	A Begley	218,000	975	217,025	-	-	-	217,025	-	217,025	217,025	-	Green	Green		-	-	-
STAR External Wall Insulation	K5R12	A Begley	900,000	6,395	893,605	-	-	-	893,605	142,606	750,999	893,605	-	Green	Green		-	-	-
STAR Disabled Aids & Adaptations	K5R13	A Begley	500,001	236,076	263,925	-	-	-	263,925	41,245	222,680	263,925	-	Green	Green		-	-	-
STAR Heating Insulation Works (Liberty)	K5R14	A Begley	1,750,000	819,652	930,348	-	-	-	930,348	123,150	807,198	930,348	-	Green	Green		-	-	-
STAR Sewage Treatment Works	KSH01	A Begley	70,000	-	70,000	-	-	-	70,000	-	70,000	70,000	-	Green	Green		-	-	-
STAR Asbestos Removal	KSH02	A Begley	200,000	-	200,000	-	-	-	200,000	10,850	189,150	200,000	-	Green	Green		-	-	-
STAR Kitchens & Bathrooms Voids	KSH03	A Begley	250,000	-	250,000	-	-	-	250,000	24,717	225,283	250,000	-	Green	Green		-	-	-
STAR Oswestry Castlefields Regeneration	KSH04	A Begley	150,000	-	150,000	-	-	-	150,000	-	150,000	150,000	-	Green	Green		-	-	-
Total					4,687,555	-	-	-	4,687,555	496,850	4,190,705	4,687,555	-				-	-	-
New Build Programme																			
Housing New Build Programme - Phase 1	K5NB1	A Begley	7,396,340	6,773,862	621,268	-	1,210	-	622,478	248,784	373,694	622,478	-	Green	Green		-	-	-
Housing New Build Programme - Phase 2	K5NB2	A Begley	2,600,000	-	2,357,000	-	-	-	2,357,000	7,387	2,349,613	2,357,000	-	Green	Green		243,000	-	-
Total					2,978,268	-	1,210	-	2,979,478	256,171	2,723,307	2,979,478	-				243,000	-	-
Total Housing Revenue Account					7,911,817	-	1,210	-	7,913,027	755,246	7,157,781	7,913,027	-				3,843,000	3,550,000	-
Total Capital Programme					66,590,512	-	591,727	(2,220,000)	64,962,239	6,879,215	58,081,888	64,962,239	-				37,126,905	27,829,783	70,000

Page 109

Shropshire Council - Capital Programme 2015/16 - 2018/19

Financing	B/F Budget 2015/16 £	Budget Virements Q1 £	Budget Inc/Dec Q1 £	Reprofile to/from future years Q1 £	Revised Budget Q2 15/16 £	2016/17 Revised Budget £	2017/18 Revised Budget £	2018/19 Revised Budget £
Self Financed Prudential Borrowing	3,111,929	-	-	-	3,111,929	60,430	-	-
Government Grants								
Department for Transport	18,124,000	-	-	-	18,124,000	16,750,000	16,293,000	-
Department for Health - Social Care Capital Grant	776,000	-	-	-	776,000	-	-	-
Department for Health - Disabled Facilities Grants	1,379,128	-	-	-	1,379,128	-	-	-
Department for Education								
- Condition Capital Grant	3,432,986	-	-	-	3,432,986	3,432,986	3,432,986	-
- Basic Need Capital Grant	1,709,784	-	-	-	1,709,784	1,795,273	1,784,013	-
- Devolved Formula Capital	2,012,814	-	7,431	-	2,020,245	-	-	-
HCA - Travellers	905,707	-	-	-	905,707	-	-	-
BDUK - Broadband	4,234,554	-	-	-	4,234,554	-	-	-
Environment Agency	752,905	-	70,000	-	822,905	102,000	70,000	70,000
DEFRA	-	-	5,708	-	5,708	-	-	-
Local Enterprise Partnership (LEP) Fund	25,601	-	-	-	25,601	-	-	-
	33,353,479	-	83,139	-	33,436,618	22,080,259	21,579,999	70,000
Other Grants								
English Heritage	2,062	-	-	-	2,062	-	-	-
Natural England	84,022	-	-	-	84,022	-	-	-
Sports England	-	-	5,987	-	5,987	-	-	-
Other Grants	553,550	-	-	-	553,550	-	-	-
	639,634	-	5,987	-	645,621	-	-	-
Other Contributions								
Section 106	48,569	-	163,619	-	212,188	-	-	-
Other Contributions	49,109	-	9,202	-	58,311	-	-	-
	97,678	-	172,821	-	270,499	-	-	-
Revenue Contributions to Capital	3,034,127	-	49,810	(120,000)	2,963,937	370,000	250,000	-
Major Repairs Allowance	5,777,757	-	-	-	5,777,757	3,600,000	3,550,000	-
Corporate Resources (expectation - Capital Receipts only)	20,575,908	-	279,970	(2,100,000)	18,755,878	11,016,216	2,449,784	-
Total Confirmed Funding	66,590,512	-	591,727	(2,220,000)	64,962,239	37,126,905	27,829,783	70,000

Shropshire Council - Capital Programme 2015/16 - 2018/19

Funding changes - Quarter 1

Budget Increase/Decrease	2015/16	2016/17	2017/18	2018/19	Details
Government Grant					
Department for Education - DFC	7,431				Additional grant for school that was planned to have transferred to an Academy, but transfer did not take place.
Environment Agency	70,000	70,000	70,000	70,000	New funding for Shropshire Slow the Flow Project.
DEFRA	5,708				
Total Government Grants	83,139	70,000	70,000	70,000	
Other Grants					
Sports England	5,987				Increase in funding to Outdoor Recreation project
Total Other Grants	5,987	-	-	-	
Other Contributions					
Section 106	163,619				S106 funding for Affordable Housing, Highways and Play Schemes.
Other Contributions	9,202				Contributions to Highways and Housing Schemes
Total Other Contributions	172,821	-	-	-	
Revenue Contributions to Capital	49,810	250,000	250,000		New Homes bonus funding to a new Shropshire Countywide Empty Property Incentive Grant scheme.
Capital Receipts	279,970				
	591,727	320,000	320,000	70,000	
	-	-	-	-	
Re-profiling					
Commissioning					
Outdoor Recreation	(50,000)	50,000			Scheme yet to be agreed, so re-profiled as will now not be delivered in 2015/16.
Infrastructure & Growth - Growth Point	(1,500,000)	1,500,000			£0.5m on Shrewsbury Growth Point pending outcome of Service re-design and decision on priority projects to be taken forward. £1m on Shrewsbury Flaxmill project as terms of land transfer to English Heritage are yet to be agreed and timetable for delivery of the scheme; as a result Shropshire Council's grant funding to the scheme is unlikely to be drawn down this financial year.
Planning Policy - Affordable Housing	(120,000)	120,000			Delayed start to Drapers Almshouses scheme means only 50% of the funding will now be drawn down in 2015/16.
	(1,670,000)	1,670,000	-	-	
Adult Services					
Social Care	(550,000)	550,000			£0.55m has been re-profiled on the next 3 supported living bungalow schemes, as these will now not be delivered until 2016/17.
	(550,000)	550,000	-	-	
	(2,220,000)	2,220,000	-	-	

This page is intentionally left blank



<u>Committee and Date</u>	<u>Item</u>
Cabinet 29 July 2015	10
Audit Committee 17 September 2015	
Council 24 September 2015	
	<u>Public</u>

ANNUAL TREASURY REPORT 2014/15

Responsible Officer James Walton

e-mail: James.Walton@shropshire.gov.uk

Tel: (01743) 255011

1. Summary

- 1.1. The report informs members of treasury activities for Shropshire Council for 2014/15, including the investment performance of the internal treasury team to 31 March 2015. The internal treasury team outperformed their investment benchmark by 0.26% in 2014/15 and performance for the last three years is 0.38% per annum above benchmark. Treasury activities during the year have been within approved prudential and treasury indicators set and have complied with the Treasury Strategy.
- 1.2. During 2014/15 the performance of the Treasury Team delivered an under spend of £0.673 million compared to budget as highlighted in paragraph 10.5 of this report. This under spend helped the Council to achieve an overall under spend at the end of the financial year.

2. Recommendations

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

REPORT

3. Risk Assessment and Opportunities Appraisal

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

Treasury Management activities and the potential for financial loss.

4. Financial Implications

- 4.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation, or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions result in increased or reduced income for the Council.
- 4.2. The 2014/15 performance is above benchmark for the reasons outlined in paragraph 10.5 of this report and has delivered additional income of £0.673 million which has been reflected in the final Revenue Monitor report for 2014/15.

5. Background

- 5.1. The Council defines its treasury management activities as "the management of the authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks".
- 5.2. The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2014/15. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 5.3. Changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. Minimum reporting requirements are that the Council should receive the following reports:
 - An annual treasury strategy in advance of the year.
 - A mid-year treasury update report.
 - An annual report following the year describing the activity compared to the strategy.
- 5.4. The CIPFA Code of Practice on Treasury Management states that these reports should be scrutinised by a nominated committee and members should be trained on treasury management activities in order to support them in their scrutiny role. These reports were scrutinised by the Audit Committee before they were reported to full Council for approval. Members have also received training on treasury management issues to support their scrutiny role by completing the CIPFA treasury management self-

assessment and further Member training has been undertaken in conjunction with our Treasury Advisor, Capita Asset Services.

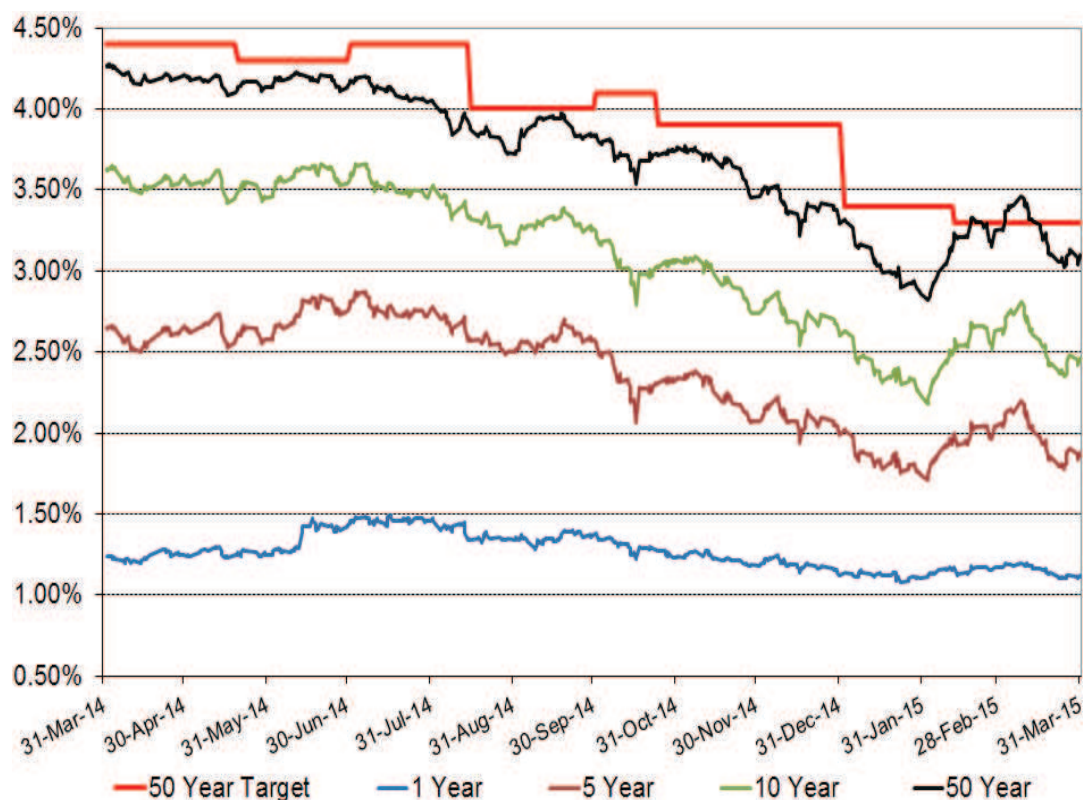
- 5.5. In addition to the minimum reporting requirements, the Director's and Cabinet also receive quarterly treasury management update reports for information.
- 5.6. The Treasury Strategy for 2014/15 was approved by Council in February 2014, the mid-year treasury update report was approved by Council in December 2014. This Annual Report sets out our actual treasury performance for the year and shows how the actual treasury performance varied from our estimates and planning assumptions.

6. Borrowing Strategy for 2014/15

- 6.1. The Council did not have a borrowing requirement for 2014/15 to 2016/17 but based on the prospects for interest rates outlined in the Treasury Strategy if circumstances changed the Council would adopt a pragmatic approach when considering any new borrowing.
- 6.2. Short term Public Works Loan Board (PWLB) rates were expected to be significantly cheaper than longer term borrowing rates during the year therefore borrowing in the 10 year period early on in the financial year when rates were expected to be at their lowest would be considered. Variable rate borrowing was also expected to be cheaper than long term fixed rate borrowing throughout the year.
- 6.3. An alternative strategy was to defer any new borrowing as long term borrowing rates were expected to be higher than investment rates during the year. This would maximise savings in the short term and also have the added benefit of running down investments which would reduce credit risk. Short term money market borrowing was not used during the year.

7. Borrowing outturn for 2014/15

- 7.1. The Treasury Team take advice from its external treasury advisor, Capita Asset Services, on the most opportune time to borrow. Movements in rates during 2014/15 are shown in the graph below.



7.2. Members have previously been advised of the unexpected change of policy on PWLB lending arrangements in October 2010 following the Comprehensive Spending Review. This resulted in an increase in all new borrowing rates of between 0.75 – 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.

7.3. The table below shows PWLB borrowing rates for a selection of maturity periods. The table also shows the high and low points in rates during the year, average rates during the year and individual rates at the start and the end of the financial year.

	4.5 – 5yrs	9.5 – 10yrs	24.5 – 25 yrs	49.5 – 50 yrs
01/04/2014	2.65%	3.63%	4.29%	4.27%
31/03/2015	1.86%	2.45%	3.11%	3.08%
High	2.87%	3.66%	4.30%	4.28%
Low	1.71%	2.18%	2.85%	2.82%
Average	2.36%	3.08%	3.74%	3.72%
High date	03/07/2014	20/06/2014	03/04/2014	02/04/2014
Low date	02/02/2015	02/02/2015	02/02/2015	02/02/2015

7.4. Following discussions with Capita, as general fund borrowing rates were significantly higher than investment rates during the year it was agreed that if any new borrowing was required during the year it would be deferred in order to maximise savings in the short term and reduce credit risk by reducing investments. Due to a review of the Capital Programme no new external borrowing was required in 2014/15.

7.5. The Council's total debt portfolio at 31 March 2015 is set out below:-

Type of Debt	Balance £m	Average Borrowing Rate 2014/2015
General Fund Fixed rate – PWLB	205.22	5.55%
HRA Fixed rate - PWLB	83.35	3.51%
Fixed rate – Market	49.20	4.10%
Variable rate	0	N/A

7.6. The maturity profile of the debt is evenly spread to avoid large repayments in any one financial year. The average debt period for PWLB loans is 19 years, market loans have an average debt period of 56 years. The total debt portfolio has a maturity range from 1 year to 63 years.

7.7. The Treasury Strategy allows up to 15% of the total outstanding debt to mature in any one year. It is prudent to have the Council's debt maturing over many years so as to minimise the risk of having to re-finance when interest rates may be high. The actual debt maturity profile is within these limits (Appendix A).

8. Debt rescheduling

8.1. No debt restructuring was undertaken during 2014/15. The introduction of a differential in PWLB rates on the 1 November 2007, which was compounded further since a policy change in October 2010 as outlined above, has meant that large premiums would be incurred if debt restructuring was undertaken which cannot be justified on value for money grounds.

8.2. Although these changes have restricted debt restructuring, the current debt portfolio is continually monitored in conjunction with external advisers in the light of changing economic and market conditions to identify opportunities for debt rescheduling. Debt rescheduling will only be undertaken:

- To generate cash savings at minimum risk.
- To help fulfil the Treasury Strategy.
- To enhance the balance of the long term portfolio by amending the maturity profile and/or volatility of the portfolio.

9. Investment Strategy for 2014/15

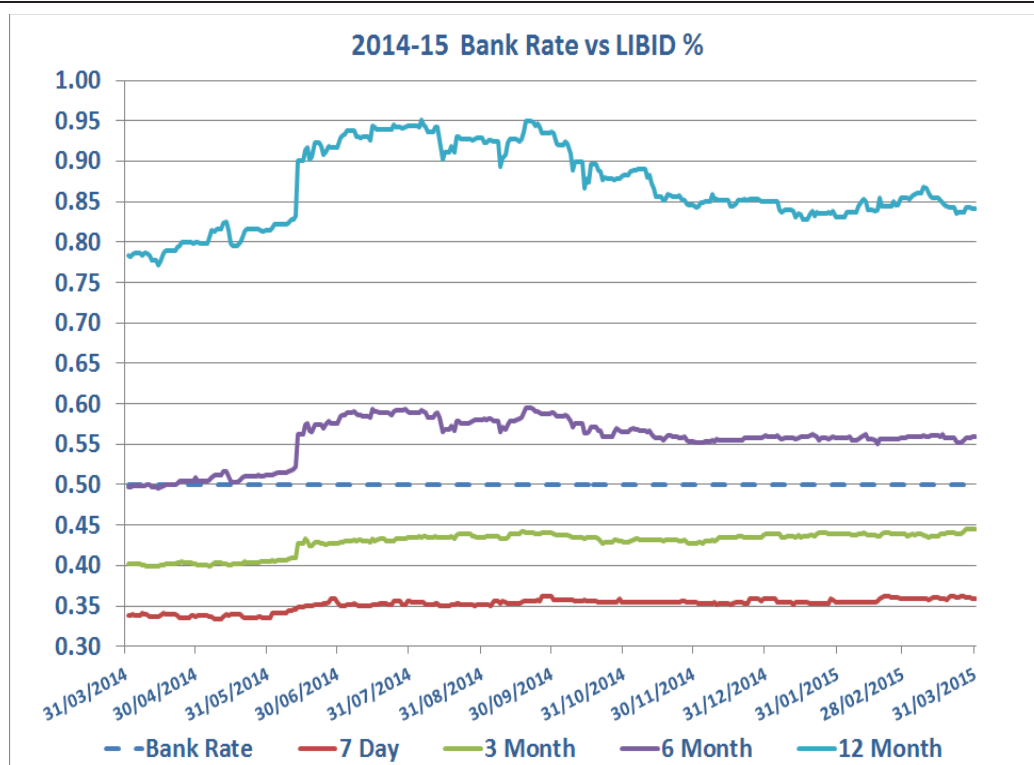
9.1. Our treasury advisor originally felt when the strategy was approved by Council in February 2014 that the bank rate would remain at its historically low level of 0.50% throughout the year with the first rise to 0.75% not expected until June 2016. During the year their interest rate forecast was reviewed and their updated forecast was approved by Council in December 2014 as part of the mid-year report. Their revised forecast was that the bank rate would remain at 0.50% until June 2015.

9.2. In 2014/15 investment of surplus cash was managed by the internal treasury team. The strategy for the in-house team was influenced by the need to

keep funds relatively short for cash flow purposes. Lending continued to be restricted to UK banks, one overseas bank, one Building Society, Nationalised and Part Nationalised Banks, UK Government and other Local Authorities in line with the Council's policy on creditworthiness which was approved in the Annual Investment Strategy.

10. Investment outturn 2014/15

- 10.1 Bank rate remained at its historic low of 0.5% throughout the year, it has now remained unchanged for six years. Deposit rates remained depressed during the whole year, primarily due to the effects of the Funding for Lending Scheme.
- 10.2 The Funding for Lending Scheme, announced in July 2012, has resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling drastically in the second half of 2012 and continuing into 2014/15.
- 10.3 To counter the historically low investment rates, and following advice from Capita, use was made of direct deals with main UK banks which were part nationalised for various periods from three months to one year. Direct deals offered substantially enhanced rates over the equivalent rates available through brokers. This provided opportunities to lock into higher, long term rates at times when it was thought they offered substantial enhancement over short term benchmark rates. Due to the enhanced market rates over bank rate this resulted in the total portfolio outperforming the benchmark. Continued use of instant access accounts with Natwest, HSBC and Svenska Handelsbanken was also used as these accounts offered both instant access to funds and paid a rate which was higher than placing short term deposits through brokers.
- 10.4 Movements in short term rates through the year are shown in the below.



10.5 Throughout the year the level of interest rates and average investment balances were higher than budgeted. This resulted in the internal treasury team achieving a higher level of interest on revenue balances than budgeted. This surplus was in addition to an under-spend on debt charges due to no long term general fund borrowing being undertaken in 2014/15. The total £0.673 million under spend helped the Council to achieve an overall under spend at the end of the financial year.

10.6 At 31 March 2015 the allocation of the cash portfolio was as follows:

	£m
• In-house short dated deposits for cash flow management	54.7
• In-house long dated deposits (up to 1 year)	26.2
• Other Local Authorities	29.0
Total	109.9

10.7 The following table shows the average return on cash investments for the internal treasury team during the year and for the last 3 years to 31 March 2015. Recognising the need to manage short term cash flow requirements, the target for the internal team is the Local Authority 7 day deposit rate.

	Return 2014/15	Return 3 years to 31 March 2015
	%	% p.a
Internal Treasury Team	0.58	0.68
Benchmark (Local Authority 7 Day LIBID rate)	0.32	0.30

10.8 The conclusions to be drawn from the table are:

- During 2014/15 the internal treasury team outperformed their benchmark by 0.26%.
- Over the 3 year period the internal team's performance has been 0.38% per annum above the benchmark.

11. Compliance with Treasury Limits and Prudential Indicators

11.1 All borrowing and lending transactions undertaken through the year have complied with the procedures and limits set out in the Council's Treasury Management Practices and Treasury Strategy. In addition, all investments made have been within the limits set in the approved counterparty list. No institutions, in which investments were made, showed any difficulty in repaying investments and interest in full during the year.

11.2 Appendix B shows the Prudential Indicators approved by Council as part of the 2014/15 and 2015/16 (revised estimate) Treasury Strategies compared with the actual figures for 2014/15. In summary, during 2014/15 treasury activities have been within the prudential and treasury limits set in the Treasury Strategy.

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

Council, February 2014, Treasury Strategy 2014/15.

Council, December 2014, Treasury Strategy 2014/15 Mid-Year Review.

Council, February 2015, Treasury Strategy 2015/16.

Cabinet, July 2014, Treasury Management Update Quarter 1 2014/15.

Cabinet, December 2014, Treasury Management Update Quarter 2 2014/15.

Cabinet, February 2015, Treasury Management Update Quarter 3 2014/15.

Cabinet, June 2015, Treasury Management Update Quarter 4 2014/15.

Cabinet Member:

Mike Owen, Portfolio Holder

Local Member

N/A

Appendices

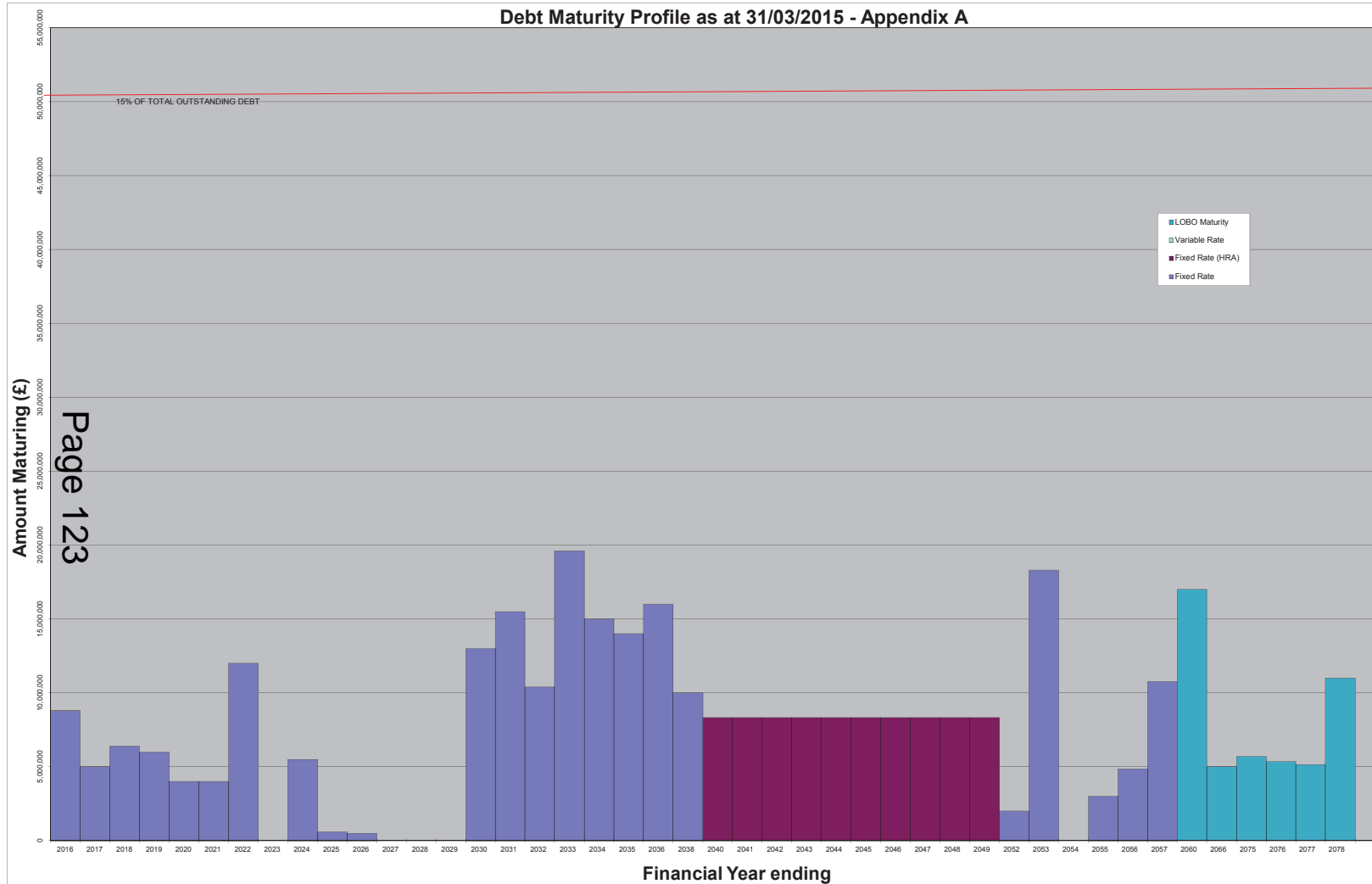
A. Debt Maturity Profile as at 31 March 2015

B. Prudential Indicators 2014/15

This page is intentionally left blank

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2038	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2052	2053	2054	2055	2056	2057	2060	2066	2075	2076	2077	2078							
Fixed Rate	8,000,000	5,000,000	4,400,000	4,500,000	4,500,000	4,500,000	4,500,000	12,000,000	0	5,000,000	600,000	600,000	0	0	13,000,000	15,400,000	18,400,000	18,800,000	15,000,000	14,000,000	16,000,000	22,000,000	16,000,000	15,000,000	15,000,000	16,000,000	10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Variable Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
LOBO Maturity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Debt Maturity Profile as at 31/03/2015 - Appendix A



Page 123

This page is intentionally left blank

APPENDIX B

SHROPSHIRE COUNCIL PRUDENTIAL INDICATORS 2014/15

- C1. The Prudential Code requires the Council to set Prudential Indicators in the Treasury Strategy and report performance against those indicators in the Annual Treasury Report.
- C2. The ratio of financing costs compared to the net revenue stream of the Council was lower than expected in 2014/15 due to no general fund borrowing being undertaken during the year.

Prudential Indicator	2014/15 Revised Estimate	2014/15 Actual
	%	%
Non HRA Ratio of financing costs to net revenue stream	10.6	9.3

Prudential Indicator	2014/15 Revised Estimate	2014/15 Actual
	%	%
Non HRA Ratio of financing costs (net of investment income) to net revenue stream	10.3	9.0
HRA Ratio of financing costs to HRA net revenue stream	41.9	40.9

- C3. The cost of capital investment decisions funded from a re-direction of existing resources was lower than anticipated due to a revised 2014/15 capital programme and the active programme to generate additional capital receipts to reduce the requirement for prudential borrowing to finance the capital programme as reported in the monthly capital monitoring reports.

Prudential Indicator	2014/15 Estimate	2014/15 Actual
Estimates of impact of Capital Investment decisions in the present capital programme	£ p	£ p
Cost of capital investment decisions funded from re-direction of existing resources (Council Tax Band D, per annum)	25.81	17.69
Cost of capital investment decisions funded from increase in council tax (Council Tax Band D, per annum)	0	0
Cost of capital investment decisions funded from increase in average housing rent per week	0	0
Total	25.81	17.69

- C4. It can be seen from the tables that the authority was well within the approved authorised limit and the operational boundary for external debt for 2014/15.

Prudential Indicator	2014/15 Estimate	2014/15 Actual
External Debt	£ m	£ m
Authorised Limit:		
Borrowing	454	338
Other long term liabilities	20	23
Total	474	361

Prudential Indicator	2014/15 Estimate	2014/15 Actual
External Debt	£ m	£ m
Operational Boundary:		
Borrowing	408	338
Other long term liabilities	20	23
Total	428	361

- C5. Gross borrowing was as anticipated due to no general fund borrowing being undertaken in 2014/15. A key indicator of prudence is that net borrowing should not exceed the capital financing requirement. It can be seen from the following figures that the Council continues to meet this prudential indicator. The Capital Financing Requirement was lower than estimated following slippage in the capital programme that resulted in a reduced financing requirement from the capital receipts previously set-aside as approved by Council.

Prudential Indicator	2014/15 Revised Estimate	2014/15 Actual
Net Borrowing & Capital Financing Requirement:	£ m	£ m
Gross Borrowing (inc HRA)	338	338
Investments	90	110
Net Borrowing	248	228
Non HRA Capital Financing Requirement	256	241
HRA Capital Financing Requirement	85	85
Total CFR	341	326

- C6. Total capital expenditure during the year was lower than anticipated. Explanations for these under-spends were included in the 2014/2015 final capital outturn report.

Prudential Indicator	2014/15 Revised Estimate	2014/15 Actual
	£ m	£ m
Non HRA Capital expenditure	56	45
HRA Capital expenditure	10	9

C7. The level of fixed rate and variable rate borrowing were within the approved limits for the year.

Prudential Indicator	2014/15 Estimate	2014/15 Actual
	£ m	£ m
Upper Limit For Fixed/Variable Rate Borrowing		
Fixed Rate (GF)	408	253
Fixed Rate (HRA)	96	85
Variable Rate	204	0

C8. The level of fixed rate and variable rate investments were within the approved limits during 2014/15.

Prudential Indicator	2014/15 Estimate	2014/15 Actual
	£ m	£ m
Upper Limit For Fixed/Variable Rate Investments		
Fixed Rate	200	79
Variable Rate	200	31

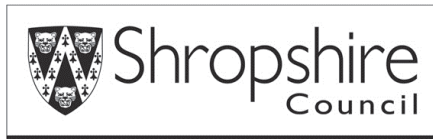
C9. No investments over 364 days were held by the internal treasury team.

Prudential Indicator	2014/15 Estimate	2014/15 Actual
	£m	£m
Upper Limit For Sums Invested over 364 days		
Internal Team	40	0
External Manager	30	0

C10. The maturity profile was within the limits set in the Treasury Strategy.

Prudential Indicator	2014/15 Upper Limit	2014/15 Actual
	%	%
Maturity Structure of External Borrowing		
Under 12 months	15	3
12 months to 2 years	15	1
2 years to 5 years	45	5
5 years to 10 years	75	7
10 years to 20 years	100	26
20 years to 30 years	100	22
30 years top 40 years	100	17
40 years to 50 years	100	10
50 years and above	100	9

This page is intentionally left blank



<u>Committee and Date</u>
Cabinet 29 July 2015
12.30 pm

<u>Item</u>
11
<u>Public</u>

TREASURY MANAGEMENT UPDATE – QUARTER 1 2015/16

Responsible Officer James Walton

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

Tel: (01743) 255011

1. Summary

- 1.1. The report outlines the treasury management activities of the Council in the last quarter. It highlights the economic environment in which treasury management decisions have been made and the interest rate forecasts of the Council's Treasury Advisor, Capita Asset Services. It also updates Members on the internal treasury team's performance.
- 1.2. During the first quarter of 2015/16 the internal treasury team achieved a return of 0.58% on the Council's cash balances outperforming the benchmark by 0.22%. This amounts to additional income of £84,150 during the quarter which is included within the Council's projected outturn position in the monthly revenue monitor.

2. Recommendations

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

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

- 4.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation, or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions result in increased or reduced income for the Council.
- 4.2. The Quarter 1 performance is above benchmark and has delivered additional income of £84,150 which will be reflected in the Period 3 Revenue Monitor.
- 4.3. The Council currently has £152 million held in investments as detailed in Appendix A and borrowing of £337 million at fixed interest rates.

5. Background

- 5.1. The Council defines its treasury management activities as "the management of the authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council between 1 April 2015 and 30 June 2015.

6. Economic Background

- 6.1. After strong UK Gross Domestic Product (GDP) growth in 2013 at an annual rate of 2.7% and 3.0% in 2014, quarter 1 of 2015 was disappointing at only 0.4%, though subsequent data indicates that this could well be revised up further down the line and also indicates a return to stronger growth in the second quarter. In its May quarterly inflation report, the Bank of England reduced its GDP forecast for 2015 from 2.9% to 2.5% and from 2.9% to 2.7% in 2016, while increasing its forecast for 2017 from 2.4% to 2.7%.
- 6.2. The latest Consumer Price Inflation (CPI) figures showed that deflation lasted just one month. CPI inflation rose from -0.1% in April to +0.1% in May, reflecting the slower pace of falls in food prices and a rebound in petrol prices. Inflation looks set to remain just above zero for the next six months, but it wouldn't take much during that period, perhaps a renewed 10% fall in the oil price, for the UK to be tipped back into deflation.
- 6.3. The Monetary Policy Committee (MPC) voted to keep official interest rates on hold at 0.5% during the quarter and voted not to increase its programme of asset purchases under the Bank's quantitative easing (QE) programme at its June meeting. With inflation close to zero, the first budget of the next parliament due to be published in July, and the situation in Greece becoming increasingly troubling, it looks unlikely that the MPC will increase rates this year.
- 6.4. As for the American economy, confidence has improved markedly in this

quarter that the US will start increasing interest rates by the end of 2015 due to a return to strong economic GDP growth of 2.4% in 2014.

- 6.5. In the Eurozone, the European Central Bank (ECB) announced a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government and other debt of selected Eurozone countries. This programme of €60 billion of monthly purchases started in March 2015 and is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth, though it remains to be seen whether this will have an enduring effect as strong as the recovery in the US and UK.
- 6.6. The major development over the past quarter has been the deterioration of the situation in Greece. Currently the country is still a member of the Eurozone, but its future as part of the single currency has become increasingly uncertain. Greece urgently needs financial assistance in order to meet its debt repayments, but is unwilling to accept the reforms which creditors demand in exchange for funds. The situation is so severe that emergency capital controls have been imposed in order for the Greek banking system from collapsing. If a last minute deal is struck this is only likely to offer a short term solution and Greece will need to undertake substantial debt restructuring or outright default if it is to return its public finances to a sustainable position in the long run. Whilst the UK's economic and financial exposures to Greece are small, there could be an adverse impact on the UK's economy from a wider fallout and a period of general financial market instability that would be likely to prevail if a Greek exit were to occur.

7. Economic Forecast

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

	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%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%
5yr PWLB rate	2.30%	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%
10yr PWLB rate	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%
25yr PWLB rate	3.60%	3.70%	3.80%	4.00%	4.10%	4.20%	4.30%	4.40%	4.40%	4.50%	4.60%
50yr PWLB rate	3.60%	3.70%	3.80%	4.00%	4.10%	4.20%	4.30%	4.40%	4.40%	4.50%	4.60%

- 7.2. Capita undertook a review of its interest rate forecasts following the issue of the latest Bank of England Inflation Report in May 2015. The ECB's quantitative easing programme to buy up Eurozone debt caused an initial widespread rise in bond prices and, correspondingly, a fall in bond yields to phenomenally low levels, including the debt of some European countries plunging into negative yields. Since then, fears about recession in the

Eurozone, and around the risks of deflation, have abated and so there has been an unwinding of this initial phase with bond yields rising back to more normal, though still historically low yields.

- 7.3. This latest forecast includes a move in the timing of the first increase in Bank Rate from the first quarter of 2016 to the second quarter of 2016 as a result primarily of poor growth in quarter 1, weak wage inflation and the recent sharp fall in inflation due to the fall in the price of oil. The Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual.
- 7.4. Long term PWLB rates are expected to rise to 4% in June 2016 before steadily increasing over time to reach 4.6% by 31 March 2018. It is expected that there will be a high level of volatility in PWLB rates over 2015, depending on how long it takes to decide what will happen in Greece and as other factors impinge on market and investor sentiment.
- 7.5. As the threat of potential risks from a number of sources still remains, caution must be exercised in respect of all interest rate forecasts at the current time. Economic forecasting remains difficult with so many influences weighing on the UK. Capita's bank rate forecasts will be liable to further amendment depending on how economic data transpires over 2015. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or safe haven of bonds. 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 the bond issuance in other major western countries.

8. Treasury Management Strategy

- 8.1. The Treasury Management Strategy (TMS) for 2015/16 was approved by Full Council on 26 February 2015. The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital.
- 8.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (up to 1 year), and only invest with highly credit rated financial institutions using the Capita's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita. The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations. This approach has been endorsed by our external advisors, Capita.
- 8.3. In the first quarter of 2015/16 the internal treasury team outperformed its benchmark by 0.22%. The investment return was 0.58% compared to the benchmark of 0.36%. This amounts to additional income of £84,150 during the quarter which is included in the Council's projected outturn position in the monthly revenue monitor.
- 8.4. A full list of investments held as at 30 June 2015, 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 quarter of 2015/16. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.

8.5. As illustrated in the economic background section above, investment rates available in the market are at an historical low point. The average level of funds available for investment purposes in the first quarter of 2015/16 was £153 million.

9. Borrowing

9.1. It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The Council’s approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the first quarter of 2015/16 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.

9.2. Capita’s target rate for new long term borrowing (25 years) for the first quarter of 2015/16 rose slightly from 3.4% to 3.5% after the May Bank of England Inflation report. No new external borrowing is currently required in 2015/16 due to a review of the Capital Programme. As outlined below, borrowing rates generally rose during the quarter. The low and high points during the quarter can be seen in the table below.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.11%	1.82%	2.40%	3.06%	3.01%
Date	02/04/2015	02/04/2015	02/04/2015	02/04/2015	02/04/2015
High	1.33%	2.32%	3.04%	3.65%	3.55%
Date	25/06/2015	25/06/2015	10/06/2015	24/06/2015	04/06/2015
Average	1.23%	2.09%	2.75%	3.37%	3.29%

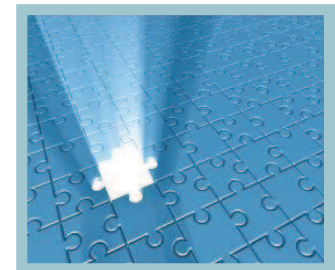
not include items containing exempt or confidential information)
Cabinet, 10 June 2015, Treasury Management Update Quarter 4 2014/15
Council, 26 February 2015, Treasury Strategy 2015/16.

Cabinet Member:
Mike Owen, Portfolio Holder

Local Member
N/A

Appendices
A. Investment Report as at 30 June 2015
B. Prudential Limits
C. Prudential Borrowing Schedule

Shropshire Council
Monthly Investment Analysis Review
June 2015



Monthly Economic Summary

General Economy

June has been an eventful month with market volatility ramping up as onshore Chinese equity markets took a tumble of 20% to enter “bear market” territory and concerns over a Greek default peaked. This saw investors opting for safe-havens flows resulting in downward pressures on UK gilt yields in the latter stages of the month. Elsewhere, in the US, strong Non-Farm payrolls for May resulted in a renewed confidence in the economy’s growth placing an increased likelihood of a first rate rise in September 2015.

The Bank of England kept interest rates on hold at a record low of 0.5% in June as it waits to see how quickly Britain’s economy recovers from the slowdown. The Monetary Policy Committee (MPC) agreed that the path for UK monetary policy would depend on which path inflation takes and would not be determined by the actions of other central banks.

UK quarter-on-quarter GDP for the first three months of the year was revised up, to 0.4 percent, from the previous estimate of 0.3 percent. Growth in year-on-year terms was also revised up, to 2.9 percent, from 2.5 percent. These positive revisions were driven mostly by a 4.5 percent increase in household disposable income and a boost in the construction industry. However, the boost in construction is partly due to revised methods of measuring output.

Domestic consumer-level inflation turned positive in May (+0.1% year-on-year) after falling below zero in April, being mostly driven by a recovery in global oil prices. However, forecasters still expect inflation to remain low for the remainder of 2015 as a number of deflationary pressures will continue to weigh on overall prices.

In its latest reading, UK workers’ pay grew more than expected in the three months to April helping to push the sterling to a seven year high trading at \$1.5930. Total weekly average earnings in the three months to April including bonuses rose by 2.7 percent, its fastest rate in almost four years. The Bank of England is keeping a close eye on wage growth as it considers on when to start raising interest rates as sustained strength in this can typically lead to increased consumer demand and a subsequent general rise in prices. In addition to the wage data, the latest employment statistics also showed that the number of people in work rose by 114,000 in the three months to April, whilst the number of people claiming job seekers allowance fell by 6,500 in May.

UK manufacturing PMI activity survey headline rate eased modestly higher in May, expanding from April’s seven month low of 51.8, to 52.0. Despite the improvement, the sector looks set to cause a minor drag on the economy in Q2 due to the combination of a strong pound and weak business investment. In contrast the services PMI suffered a slowdown in May, suffering - its sharpest month-to-month fall in four years. The services PMI slipped back to 56.5 in May down from April’s figures of 59.5. Nevertheless, the headline rate still suggests activity is growing within the sector.

Strong growth from income tax receipts in May helped drive government borrowing down to £10.13bn from last year’s figure of £12.35bn. The boost in income tax was driven by a proportionally higher rate of high rate earners within employment in the UK. This month’s figures show public finances are finally starting to benefit from the past year’s robust economic growth, which, therefore, could potentially pave the way for a less aggressive stance on spending cuts.

Retail Sales in May (on a month-on-month basis) slowed sharply after last month’s strong growth. However retail sales volumes in May still rose by 0.2% and, compared to the same period a year earlier, retail sales were up 4.5%. On the whole, sales are on track to be up by 0.9% on the previous quarter and should make a strong contribution to Q2 GDP growth.

In the US, job growth grew sharply in May. Nonfarm payrolls increased by 280,000, its largest gain since December 2014. On the back of this the unemployment rate rose to 5.5 percent in May coming from April’s near seven low of 5.4 percent. While seemingly at odds, the rise in the unemployment rate was indicative of more people actively looking for jobs, rather than continue to give up trying to find work. Payrolls for March and April were revised to show 32,000 more jobs were created than previously estimated. Couple that with the eight cent gain in average hourly earnings the data supported the view of a possible September rate hike.

The Greek government in June decided to implement capital controls over their banks, limiting account withdrawals to €60 a day. In addition to this, the Greek prime minister made the decision to call a referendum on whether the country should accept the bailout terms being proposed by its creditors. However, this referendum may be invalid as it will not be held until 5th July and Greece’s current bailout expires on Tuesday 30th June. As well as this, their creditor’s proposal for a new deal will also expire on Tuesday 30th therefore meaning Greece will have

Currency

Sterling opened the month at \$1.52 against the US dollar and steadily increased to reach \$1.57. Against the Euro, sterling opened the month at €1.40 and closed at €1.41.

Forecast

Capita Asset Services did not alter its forecast this month. Capita Asset Services expects the first rate hike to come in the second quarter of 2016. Capital Economics left their forecast unchanged in June. They expect the first Bank Rate increase to come in Q2 2016.

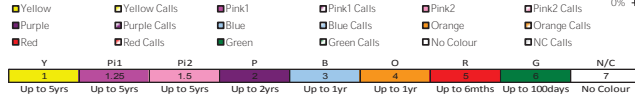
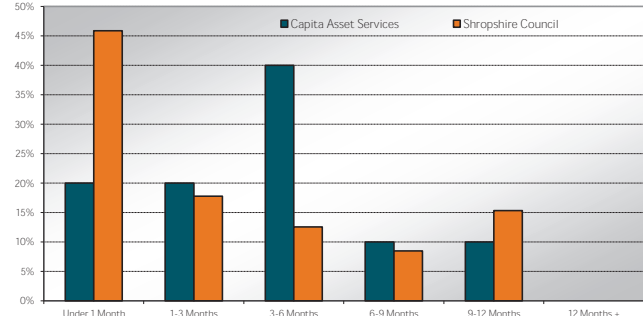
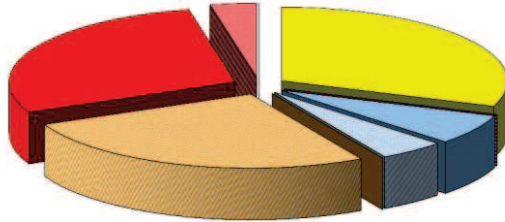
Bank Rate	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.75%
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.75%

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	20,000,000	0.55%		Call	AA-	0.000%
National Westminster Bank Plc	7,150,000	0.25%		Call	BBB+	0.000%
Lancashire County Council	5,000,000	0.58%	01/10/2014	01/07/2015	AA+	0.000%
DMO	4,520,000	0.25%	15/06/2015	02/07/2015	AA+	0.000%
Eastleigh Borough Council	5,000,000	0.39%	09/04/2015	09/07/2015	AA+	0.000%
Telford & Wrekin Council	3,000,000	0.33%	13/05/2015	13/07/2015	AA+	0.000%
Birmingham City Council	5,000,000	0.40%	28/04/2015	28/07/2015	AA+	0.001%
Nationwide Building Society	2,900,000	0.50%	05/05/2015	04/08/2015	A	0.006%
Barclays Bank Plc	5,000,000	0.56%		Call35	A	0.006%
Barclays Bank Plc	3,250,000	0.52%	06/05/2015	06/08/2015	A	0.006%
Blackpool Borough Council	3,000,000	0.35%	08/05/2015	10/08/2015	AA+	0.001%
Lloyds Bank Plc	1,400,000	0.57%	11/05/2015	11/08/2015	A	0.007%
Kingston Upon Hull City Council	3,000,000	0.35%	15/05/2015	14/08/2015	AA+	0.001%
North Tyneside Metropolitan Borough Council	4,000,000	0.38%	19/05/2015	20/08/2015	AA+	0.001%
Nationwide Building Society	2,000,000	0.50%	22/06/2015	23/09/2015	A	0.014%
Lloyds Bank Plc	900,000	0.57%	22/06/2015	23/09/2015	A	0.014%
Lloyds Bank Plc	1,520,000	0.57%	29/06/2015	29/09/2015	A	0.015%
Nationwide Building Society	2,100,000	0.66%	13/04/2015	12/10/2015	A	0.018%
Cornwall Council	5,000,000	0.40%	05/05/2015	05/11/2015	AA+	0.002%
Eastleigh Borough Council	4,000,000	0.45%	19/05/2015	19/11/2015	AA+	0.003%
Lancashire County Council	5,000,000	0.45%	22/05/2015	20/11/2015	AA+	0.003%
Nationwide Building Society	3,000,000	0.66%	22/06/2015	21/12/2015	A	0.030%
Lloyds Bank Plc	4,320,000	1.00%	08/01/2015	07/01/2016	A	0.032%
Lloyds Bank Plc	3,600,000	1.00%	09/01/2015	08/01/2016	A	0.033%
Lloyds Bank Plc	2,420,000	0.55%	17/03/2015	16/03/2016	A	0.044%
Lloyds Bank Plc	2,580,000	1.00%	31/03/2015	30/03/2016	A	0.047%
Lloyds Bank Plc	3,260,000	1.00%	01/04/2015	31/03/2016	A	0.047%
Lloyds Bank Plc	5,000,000	1.00%	08/04/2015	07/04/2016	A	0.048%
Lloyds Bank Plc	5,000,000	1.00%	16/04/2015	14/04/2016	A	0.049%
National Westminster Bank Plc	10,000,000	0.86%	16/06/2015	15/06/2016	BBB+	0.145%
Total Investments	£151,920,000	0.62%				0.019%

Portfolio Breakdown by Capita Asset Services' Suggested Lending Criteria



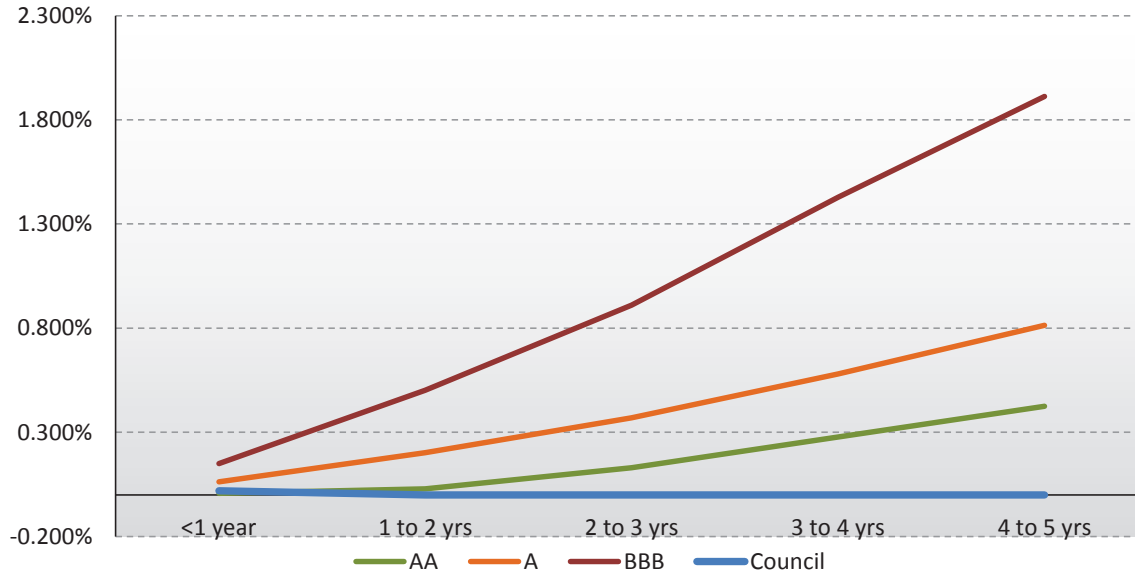
Portfolios weighted average risk number = **3.29**

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

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/EMMFs	
									WAM	WAM at Execution
Yellow	30.62%	£46,520,000	0.00%	£0	0.00%	0.40%	56	130	56	130
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	11.29%	£17,150,000	41.69%	£7,150,000	4.71%	0.61%	205	213	351	365
Orange	26.33%	£40,000,000	100.00%	£40,000,000	26.33%	0.68%	0	0	0	0
Red	31.76%	£48,250,000	10.36%	£5,000,000	3.29%	0.78%	170	243	185	268
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£151,920,000	34.33%	£52,150,000	34.33%	0.62%	94	141	142	213

Investment Risk and Rating Exposure

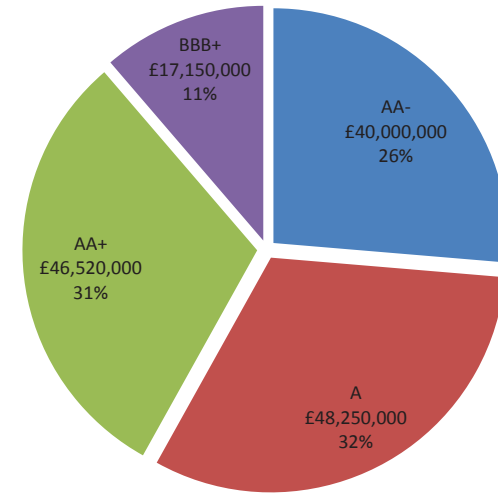
Investment Risk Vs. Rating Categories



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	0.007%	0.029%	0.130%	0.278%	0.425%
A	0.062%	0.202%	0.370%	0.581%	0.813%
BBB	0.150%	0.502%	0.910%	1.428%	1.912%
Council	0.019%	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
04/06/2015	1357	Skipton Building Society	UK	Long Term Rating upgraded to 'BBB+' from 'BBB', Outlook changed to Stable from Positive. Short Term Rating Affirmed at 'F2', Viability Rating upgraded to 'bbb+' from 'bbb', Support Rating Affirmed at '5'
09/06/2015	1363	Cooperatieve Centrale Raiffeisen Boerenleenbank BA (Rabobank Nederland)	Netherlands	Long Term Rating Affirmed at 'AA-', Outlook changed to Stable from Negative. Short Term Rating Affirmed at 'F1+'
23/06/2015	1370	Credit Industriel et Commercial	France	Long Term Rating Affirmed at 'A+', Stable Outlook. Short Term Rating Affirmed at 'F1'. Viability Rating Affirmed at 'a+'. Support Rating Downgraded to '5' from '1'
23/06/2015	1371	Credit Agricole Corporate and Investment Bank	France	Long Term Rating Affirmed at 'A', Outlook changed to Positive from Stable. Short Term Rating Affirmed at 'F1'
23/06/2015	1371	Credit Agricole SA	France	Long Term Rating Affirmed at 'A', Outlook changed to Positive from Stable. Short Term Rating Affirmed at 'F1'. Viability Rating Affirmed at 'a'. Support Rating Affirmed at '5'

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
04/06/2015	1356	Ulster Bank Ltd	UK	Long Term Rating upgraded to 'A3' from 'Baa3', removed from Positive Watch and placed on Stable Outlook. Short Term Rating upgraded to 'P-2' from 'P-3', removed from Positive Watch
05/06/2015	1358	Abbey National Treasury Services Plc	UK	Long Term Rating upgraded to 'A1' from 'A2', Positive Watch. Short Term Rating affirmed at 'P-1'
05/06/2015	1358	Bank Of Scotland Plc	UK	Long Term Rating affirmed at 'A1', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
05/06/2015	1358	Clydesdale Bank	UK	Long Term Rating upgraded to 'Baa1' from 'Baa2', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-2'
05/06/2015	1358	Lloyds Bank Plc	UK	Long Term Rating affirmed at 'A1', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
05/06/2015	1358	Lloyds Banking Group Plc	UK	Long Term Rating downgraded to 'Baa1' from 'A2', removed from Negative Watch and placed on Positive Outlook
05/06/2015	1358	Santander UK Plc	UK	Long Term Rating upgraded to 'A1' from 'A2', Positive Watch. Short Term Rating affirmed at 'P-1'
05/06/2015	1359	Coventry Building Society	UK	Long Term Rating upgraded to 'A2' from 'A3', removed from Positive Watch and placed on Positive Outlook. Short Term Rating upgraded to 'P-1' from 'P-2' removed from Positive Watch
05/06/2015	1359	Leeds Building Society	UK	Long Term Rating upgraded to 'A2' from 'A3', removed from Positive Watch and placed on Stable Outlook. Short Term Rating upgraded to 'P-1' from 'P-2' removed from Positive Watch
05/06/2015	1359	Nationwide Building Society	UK	Long Term Rating upgraded to 'A1' from 'A2', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
05/06/2015	1359	Nottingham Building Society	UK	Long Term Rating upgraded to 'Baa1' from 'Baa2', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-2'
05/06/2015	1359	Skipton Building Society	UK	Long Term Rating upgraded to 'Baa2' from 'Baa3', Positive Watch. Short Term Rating upgraded to 'P-2' from 'P-3', removed from Positive Watch
05/06/2015	1359	West Bromwich Building Society	UK	Long Term Rating upgraded to 'B1' from 'B2', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'NP'
05/06/2015	1359	Yorkshire Building Society	UK	Long Term Rating upgraded to 'A3' from 'Baa1', Outlook changed to Positive from Stable. Short Term Rating affirmed at 'P-2'
05/06/2015	1360	BNP Paribas Fortis	Belgium	Long Term Rating upgraded to 'A1' from 'A2', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
05/06/2015	1360	KBC Bank NV	Belgium	Long Term Rating affirmed at 'A2', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
08/06/2015	1361	Finland Sovereign Rating	Finland	Sovereign Rating affirmed at 'AAA', Outlook changed to Negative from Stable
17/06/2015	1368	Danske Bank	Danmark	Long Term Rating upgraded to 'A2' from 'A3', removed from Positive Watch and placed on Stable Outlook. Short Term Rating upgraded to 'P-1' from 'P-2', removed from Positive Watch
17/06/2015	1368	Nordea Bank Finland Plc	Finland	Long Term Rating affirmed at 'Aa3', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
17/06/2015	1368	DnB Bank	Norway	Long Term Rating upgraded to 'Aa2' from 'A1', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
17/06/2015	1368	Nordea Bank AB	Sweden	Long Term Rating affirmed at 'Aa3', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
17/06/2015	1368	Skandinaviska Enskilda Banken AB	Sweden	Long Term Rating upgraded to 'Aa3' from 'A1', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
17/06/2015	1368	Swedbank AB	Sweden	Long Term Rating upgraded to 'Aa3' from 'A1', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
17/06/2015	1368	Svenska Handelsbanken AB	Sweden	Long Term Rating upgraded to 'Aa2' from 'Aa3', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'
22/06/2015	1369	BayernLB	Germany	Long Term Rating affirmed at 'A3', Outlook changed to Positive from Stable. Short Term Rating affirmed at 'P-2'
22/06/2015	1369	DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	Germany	Long Term Rating upgraded to 'Aa2' from 'A1', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
22/06/2015	1369	Landesbank Baden Wuerttemberg	Germany	Long Term Rating upgraded to 'A1' from 'A2', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
22/06/2015	1369	LandesBank Berlin AG	Germany	Long Term Rating affirmed at 'A1', removed from Negative Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
22/06/2015	1369	Landesbank Hessen-Thuringen Girozentrale (Helaba)	Germany	Long Term Rating upgraded to 'A1' from 'A2', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-1'
22/06/2015	1369	Norddeutsche Landesbank Girozentrale	Germany	Long Term Rating affirmed at 'A3', Outlook changed to Stable from Positive. Short Term Rating affirmed at 'P-2'
22/06/2015	1369	UniCredit Bank AG	Germany	Long Term Rating upgraded to 'A2' from 'Baa1', removed from Positive Watch and placed on Positive Outlook. Short Term Rating upgraded to 'P-1' from 'P-2', removed from Positive Watch
25/06/2015	1372	Banque et Caisse d'Epargne de l'Etat	Luxembourg	Long Term Rating downgraded to 'Aa2' from 'Aa1', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
08/06/2015	1362	ING Bank NV	Netherlands	Long Term Rating affirmed at 'A', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'
09/06/2015	1364	Commerzbank AG	Germany	Long Term Rating downgraded to 'BBB+' from 'A-', removed from Negative Watch and placed on Negative Outlook. Short Term Rating affirmed at 'A-2'
09/06/2015	1364	Deutsche Bank AG	Germany	Long Term Rating downgraded to 'BBB+' from 'A', removed from Negative Watch and placed on Stable Outlook. Short Term Rating downgraded to 'A-2' from 'A-1', removed from Negative Watch
09/06/2015	1364	UniCredit Bank AG	Germany	Long Term Rating downgraded to 'BBB' from 'A-', removed from Negative Watch and placed on Negative Outlook. Short Term Rating affirmed at 'A-2', removed from Negative Watch
09/06/2015	1365	Bank of Scotland Plc	UK	Long Term Rating affirmed at 'A', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1', removed from Negative Watch
09/06/2015	1365	Barclays Bank plc	UK	Long Term Rating downgraded to 'A-' from 'A', removed from Negative Watch and placed on Stable Outlook. Short Term Rating downgraded to 'A-2' from 'A-1', removed from Negative Watch
09/06/2015	1365	HSBC Bank plc	UK	Long Term Rating affirmed at 'AA-', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1+', removed from Negative Watch
09/06/2015	1365	Lloyds Bank Plc	UK	Long Term Rating affirmed at 'A', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1', removed from Negative Watch
09/06/2015	1365	Lloyds Banking Group plc	UK	Long Term Rating upgraded to 'BBB+' from 'BBB', Outlook changed to Stable from Positive. Short Term Rating affirmed at 'A-2'
09/06/2015	1365	Santander UK plc	UK	Long Term Rating affirmed at 'A', removed from Negative Watch and placed on Negative Outlook. Short Term Rating affirmed at 'A-1', removed from Negative Watch
09/06/2015	1365	Standard Chartered Bank	UK	Long Term Rating affirmed at 'A+', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1'
09/06/2015	1365	National Westminster Bank Plc	UK	Long Term Rating downgraded to 'BBB+' from 'A-', removed from Negative Watch and placed on Stable Outlook. Short Term Rating 'A-2'
09/06/2015	1365	The Royal Bank of Scotland Plc	UK	Long Term Rating downgraded to 'BBB+' from 'A-', removed from Negative Watch and placed on Stable Outlook. Short Term Rating 'A-2'
09/06/2015	1365	Ulster Bank Ltd	UK	Long Term Rating downgraded to 'BBB' from 'BBB+', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-2', removed from Negative Watch
09/06/2015	1365	Nationwide Building Society	UK	Long Term Rating affirmed at 'A', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1', removed from Negative Watch
09/06/2015	1365	HSBC Bank USA, N.A.	USA	Long Term Rating affirmed at 'AA-', removed from Negative Watch and placed on Stable Outlook. Short Term Rating affirmed at 'A-1+', removed from Negative Watch
09/06/2015	1365	RBS Citizens, NA	USA	Long Term Rating affirmed at 'A-', Outlook changed to Stable from Negative, Short Term Rating affirmed at 'A-2'
09/06/2015	1366	Credit Suisse AG	Switzerland	Long Term Rating affirmed at 'A', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'
09/06/2015	1366	UBS AG	Switzerland	Long Term Rating affirmed at 'A', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'

Monthly Credit Rating Changes

S&P

09/06/2015	1366	Credit Suisse International	UK	Long Term Rating affirmed at 'A', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'
09/06/2015	1366	UBS Ltd	UK	Long Term Rating affirmed at 'A', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'
12/06/2015	1367	UK Sovereign Rating	UK	Sovereign Rating affirmed at 'AAA', Outlook changed to Negative from Stable
25/06/2015	1373	Swedbank AB	Sweden	Long Term Rating affirmed at 'A+', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'A-1'
25/06/2015	1374	DnB Bank	Norway	Long Term Rating affirmed at 'A+', Outlook changed to Negative from Stable. Short Term Rating affirmed at 'A-1'

Appendix B

Prudential Indicators – Quarter 1 2015/16

Prudential Indicator	2015/16 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	248	241			
HRA CFR	85	85			
Gross borrowing	329	338			
Investments	90	152			
Net borrowing	239	186			
Authorised limit for external debt	442	338			
Operational boundary for external debt	406	338			
Limit of fixed interest rates (borrowing)	442	338			
HRA debt Limit	96	85			
Limit of variable interest rates (borrowing)	221	0			
Principal sums invested > 364 days	40	0			
Maturity structure of borrowing limits	%	%			
Under 12 months	15	3			
12 months to 2 years	15	1			
2 years to 5 years	45	5			
5 years to 10 years	75	7			
10 years to 20 years	100	26			
20 years to 30 years	100	22			
30 years to 40 years	100	17			
40 years to 50 years	100	10			
50 years and above	100	9			

* Based on period 3 Capital Monitoring report

APPENDIX C

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

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

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

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
---------	----	---------

2013/14	25	2038/39
---------	----	---------

2014/15	10	2023/24
---------	----	---------

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

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

2015/16	25	2039/40
---------	----	---------

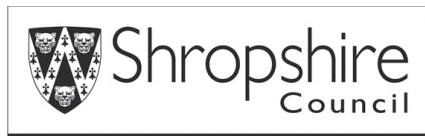
2016/17	25	2041/41
---------	----	---------

2009/10	5/25	
---------	------	--

Capital Financing 2015/16 - Quarter 1 2015/16

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	Applied Outturn 14/15 2014/15	Budgeted Outturn 14/15 2015/16	Budgeted Outturn 14/15 2016/17
		£	£	£	£	£	£	£	£	£	£	£	£
Monkmoor Campus	24/02/06	3,580,000											
Capital Receipts Shortfall -Cashflow	24/02/06	5,000,000											
Applied:													
Monkmoor Campus			3,000,000		0								
William Brooks					0		3,580,000						
Tern Valley					2,000,000								
		8,580,000	3,000,000	0	2,000,000	0	3,580,000	0	0	0	0	0	0
Highways	24/02/06	2,000,000	2,000,000										
Accommodation Changes	24/02/06	650,000	410,200	39,800									
Accommodation Changes - Saving	31/03/07	(200,000)											
		450,000	410,200	39,800	0	0	0	0	0	0	0	0	0
The Ptarmigan Building	05/11/09	3,744,000				3,744,000							
The Mount McKinley Building	05/11/09	2,782,000				2,782,000							
The Mount McKinley Building	05/11/09	0				-							
Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation	25/02/10	187,600				187,600				0			
Carbon Efficiency Schemes/Self Financing	25/02/10	1,512,442					115,656	1,312,810	83,976	-	-	-	-
Transformation schemes		92,635						92,635	-	-			
Renewables - Biomass - Self Financing	14/09/11	92,996						82,408	98,258	(87,670)	-		
Solar PV Council Buildings - Self Financing	11/05/11	56,342						1,283,959	124,584	(1,352,202)	-		
Depot Redevelopment - Self Financing	23/02/12	0							-	-	-		
Oswestry Leisure Centre Equipment - Self Financing	04/04/12	124,521						124,521					
Leisure Services - Self Financing	01/08/12	711,197							711,197				
Mardol House Acquisition	26/02/15	4,161,000									4,160,000	1,000	
Mardol House Adaptation and Refit	26/02/15	3,339,000									167,641	3,110,929	60,430
Previous NSDC Borrowing		955,595			821,138	134,457							
		28,789,327	5,410,200	39,800	2,821,138	6,848,057	3,695,656	2,896,333	1,018,015.37	(1,439,872)	4,327,641	3,111,929	60,430
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)	(1,310,843.23)	(1,440,749.40)
Prudential Borrowing CFR				5,161,632.52	7,686,443.86	14,195,138.94	17,301,632.44	19,337,446.83	19,114,842.83	16,423,990.88	19,569,668.49	21,370,754.42	19,990,435.02
								(0)	(0)	(0)	(0)	(0)	(0)

This page is intentionally left blank



Committee and date

Cabinet 29/07/2015
12.30 pm

Item

12

Public

REPORT ON THE DRAFT DISCRETIONARY HOUSING PAYMENTS POLICY

Responsible Officer

Email: rod.thomson@shropshire.gov.uk

Tel: 01743 253934

Fax:

1. Summary

- 1.1 The draft policy for the administration of Shropshire's Discretionary Housing Payments (DHP's) was presented to Cabinet on 11 February 2015 with the recommendation that, following a period of consultation and any necessary amendments resulting, the policy be brought back to Cabinet for approval.
- 1.2 The policy has also been subjected to scrutiny via the Performance Management Scrutiny Committee in June 2015. The minutes of this meeting have not yet been published but will show approval of the policy and the recommendation that it progresses to Cabinet.
- 1.3 DHPs are payments that can be awarded to help customers who face a shortfall between the Housing Benefit awarded to them to help with their rent and the actual amount of eligible rent for their property. DHP payments may also be awarded to help people who require help to raise deposits and/or rent in advance so that they secure a new tenancy
- 1.4. A small number of comments were received during the consultation period which included replies from Housing Association support workers and Voluntary and Community Sector workers, these have been summarised and appear at appendix D of this report. Significantly within this period there was also a High Court ruling on the treatment of disability income. Areas of the policy explaining the treatment of income have been rewritten to reflect the legal ruling and additionally, minor changes in wording have been made as a result of the consultation replies received.

2. Recommendations

- 2.1 Cabinet is requested to agree the Discretionary Housing Payments Policy.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The recent High Court ruling on the treatment of a person's Disability Living Allowance (and similar benefits paid to help with the extra costs of disability) held that such benefits cannot be included as available income when considering the money a person has available to meet any rent shortfall themselves. Shropshire's policy was immediately revised to reflect this ruling. The effect of this change is that more awards will be made to people with disabilities as higher disregards are applied to their incomes.
- 3.2 The requirement to disregard higher levels of income in some cases with the resulting additional spend that this creates means that the funding for DHP's will come under increasing pressure during the current financial year so increasing the possibility of overspending the limited financial allocation.
- 3.3 Close monitoring of the DHP budget on a monthly basis will aid financial control and will be supported by regular management checks on both expenditure and consistency of decision making. Senior staff with experience of discretionary decisions have been relocated to the administering team to provide additional guidance to staff. In this way we will continue to provide support for our most vulnerable citizens and provide challenge and holistic support for those who can be expected to make changes.
- 3.4 An Equalities and Social Inclusion Impact Assessment is attached to this report at appendix B. Given the purpose of DHP's and the Policy objectives, which include alleviating poverty and helping to protect the vulnerable, we expect that there will be an overall positive impact across the nine protected characteristics groups and on social inclusion.

4. Financial Implications

- 4.1 The Department for Work & Pensions provides councils with an annual budget from which to reclaim the cost of any DHP awards made. Any unspent money is retained by the Department for Work & Pensions. Legally, overspend is allowed up to a limit which is set at 2.5 times the amount allocated however any such overspend must be met from within the council's own budget.
- 4.2 In previous years, Shropshire has underspent against our allocation and in the financial year 2014/15 we spent £302,000 on DHP awards. The funding across all Local Authorities for 2015/16 is less than previous years with the amount allocated to Shropshire being £325,939. There are signs of increasing pressure upon this DHP budget from external demands, including an increase in the demand from social sector housing providers for rent in advance

payments from those seeking new tenancies and the as yet untested effects of the new Universal Credit. The risk of potential overspend this is partly mitigated by strengthening the decision making process and by closer monthly financial monitoring.

5. Background

- 5.1 Discretionary Housing Payments (DHP's) are only available to people who are entitled to Housing Benefit. Good practice guidance is produced by the Department for Work & Pensions for Local Authorities and this suggests that DHP's are expected to be awarded in unusual or extreme circumstances and where additional help with rent or housing costs will have a significant positive impact in alleviating hardship and avoiding deprivation. Local Authorities have discretion over how they administer these payments, how much is awarded and over what period and in the decision making process they adopt but there is a requirement that the latter be consistent and to conform to good decision making practice.
- 5.2 There have been changes within the Housing Benefit system to the property size criteria and resulting help with rent for those in social sector housing. In addition, there have further restrictions imposed on the allowable amount of private sector rents. Additionally, some working age people are affected by the benefit cap and recently other changes to Housing Benefit have restricted the amount of rent payable to most single people under 35. DHP's have existed for some time but are now having to adapt to meet these new pressures. In most cases DHP's are intended to be temporary payments and not a permanent solution to the effects of changes in the benefits system.
- 5.3 Administratively, in order to protect funding for those most in need, there is challenge built into the decision making process whereby the person applying may be required to address underlying issues that may contribute to their situation and to their inability to meet their outgoings. This might include challenging the person's choices over financial expenditure or in helping them to find more affordable property with an award of a DHP acting as a financial aid in the meantime. Support is provided via the Housing Support Officers or voluntary sector partners. This approach was fully endorsed by all those replying to the consultation.
- 5.4 The administration of DHP's was subject to scrutiny by the Performance Scrutiny Committee as a result of which a Task and Finish Group examined the administrative processes particularly where these have changed to provide for a more holistic approach to helping a person with any underlying difficulties. The draft policy takes into account the recommendations of that Task and Finish Group and reflects also their input into the consultation process. The full report of the Task & Finish group, including their response to the consultation, is included at appendix C of this report.

6. Conclusions

- 6.1 The resulting policy before Cabinet shows how the Council administers the Discretionary Housing Payment funding received from Government and it has been written as a transparent and comprehensive guide explaining what the fund can and cannot pay for, how a claim is made and the considerations applied in the decision making process as well as how a person might challenge a decision if they disagree with the outcome.

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

Cabinet 11 February 2015: item 19 –
Report to Cabinet, Draft DHP Policy, (pages 981 –1024 of public reports pack)

Cabinet Member (Portfolio Holder)

Portfolio Holder for Resources, Finance and Support

Councillor M Owen

Local Member

All

Appendices

Appendix A – The Discretionary Housing Payments (DHP) Draft Policy

Appendix B – ESIIA for the DHP policy

Appendix C – Performance Scrutiny Task & Finish Group consultation reply

Appendix D – Summary of consultation replies

DISCRETIONARY HOUSING PAYMENTS

Shropshire Council's policy with regard to the administration
and award of Discretionary Housing Payments

POLICY

Table of Contents

Introduction	4
Policy Aims	4
Policy objectives	5
The types of shortfall that DHPs can cover	6
The claiming process	7
Making an application for DHP	7
Evidence	7
Medical circumstances.....	8
Rent deposits and rent in advance	8
Treatment of income and expenditure.....	9
Treatment of the household.....	9
The tenancy.....	10
Amount and Duration	10
Making our decision.....	11
Payment of the award	12
Prevention of Homelessness	12
DHPs and two homes	13
Backdated Awards	13
Appeals and Reconsiderations	13
Changes in Circumstances	14
Revising Awards	14
Repeat Awards for Rent Shortfalls	14
Stopping DHPs	15
Recovery of DHPs	15
Circumstances Where It Is Not Appropriate To Award A DHP	15
Future Applications	17
Monitoring Arrangements	17
Publicity	18
Support into work	18
Policy Review	18

Background

Discretionary Housing Payments (DHPs) are supported by the Discretionary Financial Assistance Regulations 2001 (SI 2011 No.1167) and Child Support, Pensions and Social Security Act 2000.

Discretionary Housing Payments are not payments of benefit. They are discretionary payments additional to any statutory provision by way of Housing Benefit. They can be awarded when a local authority considers that a customer needs further financial assistance towards housing costs. The legislation allows broad discretion in considering DHP's however, local decision making staff are guided by procedures to ensure that consistency of approach and good principles of decision making are followed throughout. This ensures that we are acting fairly, reasonably and consistently.

Housing costs are not defined in the regulations. This gives the council broad discretion to interpret the term. In general, housing costs means rental liability; however, housing costs can be interpreted more widely to include:

- rent in advance;
- deposits; and
- other lump sum costs associated with a housing need (such as removal costs).

DHP payments are intended to alleviate severe hardship for those in financial difficulty providing certain criteria are met:

- The person is entitled to Housing Benefit (HB) or Universal Credit (UC) if it includes a housing element towards rent liability
- There must be a shortfall between the Housing Benefit and the eligible rent that the person is unable to meet from their own means.
- The amount awarded can cover all or part of the rent shortfall but it cannot be more than the eligible rent for the property when added to the Housing Benefit award. Alternatively, the award can be used to assist with the cost of taking up a tenancy.

The Department for Work & Pensions (DWP) guidance on DHP's is to the effect that they form part of a support mechanism of help for those most affected by the impact of welfare reforms. These are particularly around the introduction of the benefit cap; the introduction of size criteria for property in the social rented sector and reductions in the local housing allowance which determines private sector rent allowances. Additionally, DHP's can be made to compensate for other Housing Benefit shortfalls including deductions made for non-dependents in the household, Rent Officer restrictions and shortfalls due to income tapers.

DHP's cannot be made in respect of the following:

- Ineligible service charges on a property

- Increases in rent due to assimilation of arrears
- Certain sanctions (penalties) or reductions imposed on a person's benefits
- To cover the recovery of Housing Benefit overpayments

DRAFT

Policy

Introduction

The DWP allocate a fund each year specifically for DHP awards, this is cash limited with any unspent funds being returned to DWP at the year end.

By working closely with our partner organisations, particularly the Housing Associations and support workers and by looking holistically at the range of solutions and alternatives available to residents we are confident that all of the fund will be used to help Shropshire's most vulnerable citizens often at very critical moments in their lives.

- The 2013/2014 allocation of funds to Shropshire Council was £277,475
- The 2014/2015 allocation of funds to Shropshire Council was £383,819
- The 2015/2016 allocation of funds to Shropshire Council is £325,939

The council cannot award any more DHP's if we have met our overall cash limit. The cash limit is two and a half times the government contribution. The legislation that specifies the overall limit on expenditure, is Article 7 of the Discretionary Housing Payment (Grants) Order 2001. Any unspent DHP funding will be returned to the DWP at the end of the financial year.

Policy Aims

The Department for Work & Pensions define the policy aim of DHP's as being:

- To help secure and move to alternative accommodation (e.g. rent deposit)
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
- To help with short-term rental costs while the claimant seeks employment
- To help with on-going rental costs for disabled person in adapted accommodation
- To help with on-going rental costs for foster carer
- To help with short-term rental costs for any other reason

Shropshire Council's policy will contribute to the following corporate priorities and outcomes:

PRIORITIES	
Growing	Help to manage our environment (in a way that helps Shropshire to thrive)
Protecting	Strive to keep people from harm (in a way that doesn't compromise their choices)
Helping	Help people, communities and businesses to help themselves (in a way that helps them to make the most of the choices available to them)

OUTCOMES	
Your Money	Feel financially secure and to believe in a positive future for myself and my family
Your Health	Live a long, enjoyable and healthy life
Your Life	Feel valued as an individual and to live my life, with my choices respected and with as few compromises as possible
Your Environment	Live in an attractive, vibrant and safe environment, in a place that is right for me
Your Council	Feel confident that the council is doing the right things with my money and that my needs are at the centre of any decisions taken about my life

(Shropshire Council Business Plan and Financial Strategy 2014-2017)

The policy will contribute to these outcomes by providing help to the most vulnerable residents that will enable them, as part of a wider programme of support, to maintain themselves in affordable housing. We will deliver this within the limits of the available funding.

Policy objectives

The DHP policy will be administered as part of a wider scheme of help and support with the express aim of contributing to:

- alleviating poverty
- encouraging and sustaining people in employment
- tenancy sustainment and homelessness prevention
- safeguarding residents in their own homes
- helping those who are trying to help themselves
- keeping families together
- providing stability for children
- preventing homelessness for those at risk of losing their home
- supporting domestic violence victims who are trying to move to a place of safety
- supporting the vulnerable or the elderly in the local community
- helping claimants through personal and difficult events
- supporting young people in the transition to adult life, or
- promoting good educational outcomes for children and young people
- supporting the work of foster carers
- supporting disabled people remain in adapted properties
- supporting care leavers

(Source: Gov.UK, Department for Work & Pensions DHP Guidance Manual April 2014.)

For example, we may use a DHP award to assist a person with disabilities to remain in a suitable property or to allow a person experiencing challenging life issues to do likewise whilst they work with a wider range of support services to address these issues.

We may provide the deposit for housing that allows a homeless person the sound foundation from which to rebuild their future stability.

In some cases, time limited awards may be made with the expectation of the customer taking proactive steps to address their life issues and choices or to actively seek alternatives where these exist.

We will consider helping people who want to move but whose HB award has been restricted due to one the welfare reforms.

The types of shortfall that DHPs can cover

- reductions in HB or UC where the benefit cap has been applied;
- reductions in HB or UC following the removal of spare room subsidy in the social rented sector;
- reductions in HB or UC as a result of local housing allowance restrictions;
- rent officer restrictions such as local reference rent or shared room rate;
- non-dependant deductions in HB or housing cost contributions in UC;
- rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options;
- reductions due to income tapers.

The claiming process

Making an application for DHP

In order to be considered for an award of DHP, an application must be made to the Council. The application form is available on the council's website on <http://www.shropshire.gov.uk/benefits/discretionary-housing-payments/>

A claim can be accepted from the person entitled to Housing Benefit, but we will accept claims from someone acting on behalf of the person concerned where it appears reasonable to do so in the circumstances.

Applications may need to be supported by information from housing providers or other support workers to confirm that alternative housing options are not available / suitable. The claim must be supported by such information as is necessary to determine the claim, such as details of income, capital and expenditure. Requests for a discretionary payment can be made in the following ways:

- In writing
- By telephone
- Or by any other methods (such as electronic means)

Each claim will be considered individually based on the evidence provided to support the application. We will however expect to act with consistency whilst using our discretion to provide support to the most vulnerable citizens in Shropshire.

We will ask the customer whether they have a support worker to help them, if so we will liaise with the support worker to gather further information with which to consider the request for an award of DHP. This will allow us to make fully informed decisions that are fair and reasonable for the customer, especially where there are mental health considerations. All requests will be considered on an individual basis with due account given to the vulnerability and personal circumstances of each customer. An individual's personal circumstances, the amount requested and the importance of the need within the circumstances will form the basis for the prioritisation of awards.

Evidence

Before we can grant a DHP we will request details from the customer to confirm the following: -

- The reason a DHP is required
- The current income and expenditure of the household. This may include:
 - Does the customer have other debt to pay?
 - Have they sought advice to clear their debt?
 - Can the customer renegotiate non priority debts?

- Entitlement to other benefits that are not being claimed or maximised
- Any income or capital that is disregarded (taking into account its intended use)
- Spending on non-essential items
- Could the rent be afforded when the customer first moved in?
- Is anyone else willing to pay the shortfall?
- Can any non-dependants make a contribution to the shortfall?
- Can they take steps to reduce their spending on non-essential items?
- Can the customer increase their hours or do any overtime?
- Any steps the customer has taken to try and resolve their financial situation, such as:
 - Has the customer requested the landlord to reduce the rent and what was the landlord's response?
 - Could we speak to the landlord to negotiate a lower rent?
 - Did the customer enquire about the level of HB before they took the tenancy? If yes, what advice were they given?
 - Did customer have a pre-tenancy determination?
 - Has the customer taken long-term action to help their problems in meeting their housing costs
 - Reducing their spending on non-essential items
 - Has the customer managed to increase their hours or do any overtime?
 - Have they tried to re-negotiate or consolidate their debts?

Medical circumstances

When considering the circumstances of a customer who has requested a DHP payment, it is important that the medical situation is taken into account. With this in mind we will ensure the following is considered on each application:

- Does the customer or a member of the household have health or support needs that require them to remain in a particular property because of adaptations or access to medical facilities?
- Does the customer or a member of the household have to have an extra room for health or support needs?
- Do the health needs of someone in the household mean that the choice of housing is restricted temporarily or permanently?
- Does the customer or a member of the household have health care related expenses such as medicine (non-prescription or otherwise) or therapeutic training?

Rent deposits and rent in advance

Where requests are made for deposits or rent in advance for a prospective new property:

- the customer must be in receipt of Housing Benefit (or Universal Credit including a housing cost element) at their current address, and

- we will ask for proof of the amount they are requesting from the prospective landlord
- we will ask the customer must to confirm that they have been unable to source assistance from elsewhere first (namely Shropshire Housing Alliance or the council's Housing Options Team)
- we will consider whether the property the customer is moving to is affordable (whilst recognising that some people may have had to flee a home due to domestic violence so they may have had to seek a place of safety such as a refuge service)
- we will want to know whether the customer is due to have a deposit returned to them from their outgoing tenancy
- we will also want to know whether the customer has received assistance from another department within the LA towards a rent deposit (such as a rent deposit scheme or similar)
- we will need an application form for HB to be submitted at the same time as the DHP request so we can establish if there will be an entitlement to HB at the new address. For UC, we will need to establish that the customer will receive an element towards their housing costs when they move.
- we may consider making awards for deposits or rent in advance for properties outside our area if the customer is in receipt of HB or UC in our area.

When looking at requests, we will take into consideration the availability of suitable alternative accommodation, especially one bed accommodation.

Treatment of income and expenditure

We will look at the income received by the claimant and partner when calculating awards. Where non-dependents don't make a contribution to the household, we assume that the claimant receives a weekly amount equivalent to the non-dependent deduction being applied to the Housing Benefit claim.

We will consider what is reasonable when assessing declared expenditure. If we feel that declared expenses are unreasonably high, we will reduce them to an amount we deem reasonable in our calculation.

We will make a comparison of the income and expenditure to establish whether the customer has an excess weekly income after meeting all their expenses, including their rent shortfall.

Treatment of the household

We will always take the income of the claimant and partner into account in our calculation. We won't take the income of other members of the household into account but we will assume that a contribution will be made to the household by any non-dependant. This will either be the figure quoted as 'keep' or the level of the non-dependant deduction on the

Housing Benefit claim. If there is no non-dependent deduction on the Housing Benefit claim and they do not pay keep, we will consider whether an assumed contribution should be made, dependent on the non-dependent's income.

The tenancy

- Can the landlord reduce the rent?
- Is the tenancy fixed term and when does it end?
- Are any agencies or services such as the Housing Options Team able to help negotiate a lower rent?
- Could they afford the tenancy before they took it on?
- Would awarding the DHP mean the property would be affordable for an interim period, allowing the tenant enough time to find alternative accommodation

Amount and Duration

As advised, the amount of DHP awarded to meet the rent shortfall must not exceed the eligible rent figure when combined with the Housing Benefit award. The awards will usually be made to cover short term needs rather than provide a long term solution to shortfalls in rent. There will however, be circumstances where longer term awards will be provided.

Examples when longer awards may be made are:

- For people with a disability who have had substantial adaptations made to their home
- When it is considered unreasonable to expect the customer to move house, where appropriate, awards of DHP may be of a longer duration than usually expected.
- A disabled child who is not in receipt of the required rate of DLA, and who would normally be expected to share a bedroom under the rules governing the spare room subsidy, requires a separate room and provides evidence that this is the case.

In exceptional cases, an indefinite award may be considered, subject to a relevant change in their circumstances.

A DHP can be awarded on a weekly ongoing basis or as a lump sum payment in respect of removal costs.

Decisions on the level and duration of an award will need to take into account the customer's individual circumstances and what is affordable within the council's allocated budget. We will also consider the amount of time the customer will need to sort out their financial circumstances or housing circumstances, particularly if they are trying to find alternative accommodation.

Making our decision

Before making our decision, we will consider the following:

- Does the household have to live in the area because of an existing support network?
- Is there a particular reason the person chose to live in the accommodation?
- Is there a more realistic prospect of work in the area they currently live in?
- Is the property the cheapest available for the customer's needs?
- Are the children at a critical point in their education or is a training scheme almost complete?
- Is one of the children near the edge of the threshold for an additional bedroom?
- Is the customer expecting a child and will she require her size of property when the child is born? (i.e. will her benefit size restriction end?)
- Is the customer fleeing Domestic Violence, meaning they cannot reasonably shop around for suitably priced accommodation?
- Is someone in the household undertaking care duties for relatives in the neighbourhood?
- Is someone temporarily living away from home and expected to return shortly?
- Is there a shortage of shared accommodation?
- Is the customer a care leaver who has a reduction in their LA rate after becoming 22 years old?
- Does the person need an additional room for a foster child or is the room being kept free for a foster child?
- Does the customer qualify for the 13 weeks or 52 weeks protection for HB?
- Does the customer need an additional room for an overnight carer?
- Is there a requirement for a separate bedroom for each member of a couple due to medical reasons?
- The time needed for the customer to address any underlying issues.

We will inform customers of our decisions at the earliest opportunity.

Where we are unable to make an award, we will explain the reasons for this in writing so that the customer understands why. We will also provide suggestions for alternative support where these exist and will signpost customers to various useful agencies.

Where we can make an award, we will confirm the weekly award and the period of time we will pay it for. We will also provide a list of recommended actions that the customer must take to change their personal circumstances so they are more beneficial or to avoid them requiring further assistance from the DHP fund. We will expect them to take action on these recommendations in order to guarantee any further awards of DHP where the customer requests an award extension.

Our letter will inform customers that there is no formal right of appeal but will offer customers the opportunity to ask the council to look at the decision again, especially where

they think there has been an error or omission. Where the customer has consented, we may also inform the landlord of our decision. Where HB or UC is being paid to a landlord and we subsequently make an award of DHP that we also pay to the landlord, we may contact the landlord to advise them of this.

Corroborative supporting information may be sought from third parties such as housing providers or support workers where this is felt reasonable in order to confirm that alternative solutions have been considered. Failure to provide supporting evidence without good reason may lead to the application being unsuccessful.

We will ask the customer whether they have a support worker to help them and will speak to that support worker to gather further information to support the request for an award of DHP. This will allow us to make fully informed decisions so that the decision we make a fair and reasonable decision for the customer, especially where there are mental health considerations.

Refusal to provide the necessary information for the team to make a decision will result in a refusal of award or as a withdrawal of application where there is loss of contact.

Where we are unable to make an award, we will explain the reasons for this in writing so that the applicant understands why. We will also provide suggestions for alternative support where these exist and will signpost applicants to various useful agencies.

Payment of the award

Payments for rent shortfalls will be made at the same frequency as Housing Benefit payments and will normally be paid with these. They can be paid to someone other than the claimant if the council considers it reasonable to do so (e.g. an agent, appointee or landlord).

Payments for deposits and rent in advance will be paid directly to the landlord. We will advise tenants that landlords have a legal obligation to protect any deposit paid in a Government approved tenancy deposit scheme to help avoid future requests for deposits.

- Payments to private tenants and their landlords will be paid by BACS.
- Payments to housing association tenants and their landlords will be paid by BACS
- In the case of Rent Rebate, DHPs will be paid to the rent account by direct credit.

Prevention of Homelessness

Homelessness has a major impact on customers in terms of health, education and employment prospects. It is vital that we use the DHP fund where appropriate to avoid homelessness by taking the following into account: -

- That an award of DHP may prevent evictions and prevent homelessness
- That the proximity of the household to education, employment and social networks means it may be helpful to pay DHP for resettling period from homelessness
- A DHP award could be central to the person being able to access employment, education or training and therefore less likely to become homeless
- Whether an award made to someone who has previously been homeless would increase the long-term sustainability of their tenancy
- Whether an award made to a care leaver who needs support would increase the long-term sustainability of their tenancy
- Closer working and good relationship building with internal services such as homelessness and external services such as Citizens Advice Bureau to act on early warning signs of potential homelessness and vulnerable cases

DHPs and two homes

We can award DHPs on two homes if a customer is temporarily absent from their normal home, for example, because of domestic violence. If there is a rent shortfall in both properties, we will consider an award of two DHPs, subject to the normal limits.

If the customer is not liable to pay rent for the new address but has a shortfall in rent at the normal home, we can award a DHP for the normal home, again, subject to the normal limits.

Backdated Awards

We will consider requests for backdated DHP's and will look at each case on its own merits. Whilst no blanket policies will be adopted, we will be consistent in our decision-making throughout. Although there are no rules regarding backdating, we will look to establish that 'good cause' for failing to make an earlier claim has been established. We will normally only backdate a DHP to the beginning of the current financial year. We will only consider backdating a DHP award to a date prior to the current financial year in exceptional circumstances. We will consider backdated benefit awards to assist customers with arrears due to welfare reforms who wish to move address. In every case we will consider the person's age, household make-up, health and individual circumstances.

Appeals and Reconsiderations

Under the legislation governing DHP's, there is no right of appeal to an independent tribunal. Decisions are however, subject to requests for internal review and they should be treated under the Decision Making and Appeal procedures for this purpose.

Such requests for a review are dealt with through local arrangements.

The review process will have two stages:

- Stage 1** In the first instance, any request for a review will be considered by someone other than the officer who made the original decision unless new evidence is provided, when the same officer can consider the request. All requests to review a decision from an applicant or their representative to be considered and notified within one month of the date of decision.
- Stage 2** If the applicant is still not satisfied with the outcome of the review, they may request a further review within one month of the date of the review outcome. The process will seek to ensure that stage 2 reviews are considered by a senior officer taking into account all the information and evidence included in the review and the reasonableness of the decision made. The decision will be notified in writing.

Any negative decisions will be clearly explained.

Decisions on DHPs cannot be appealed to a Social Security Tribunal as they are not empowered to deal with them. The route of judicial review is available, and the local government ombudsman if there is an allegation of maladministration.

Changes in Circumstances

A person claiming a DHP is required by regulations to:

- Give the Local Authority such information as it may require
- Tell the Local Authority of any changes in circumstances that may be relevant.

Revising Awards

Where an award of DHP has been made, the amount of the DHP will be regularly reviewed and possibly revised where there has been a change in circumstances to their Housing Benefit or Universal Credit claim.

Repeat Awards for Rent Shortfalls

DHP's are not intended to be for an indefinite period. Individuals are expected to manage their day to day finances and take steps to budget and manage their household income. We will provide advice and guidance to people by signposting them to suitable support regarding this. Where customers request repeat awards, we will look to see whether they have acted on the recommendations made when their previous award was granted. If they have failed to do so, we may provide them with one month to act on these before considering a further award. If they fail to act on the recommendations within one month, we will not extend their DHP award.

We will not consider requests beyond the one month extension:

- Where advice has been ignored or not sought as advised
- Where a previous request was unsuccessful (unless there has been a change in household circumstances)
- Where the individual has not taken steps to remedy the situation
- Where the circumstances could have been avoided or were as a result of reckless or deliberate behaviour
- Where the individual has not co-operated with the Council or other public bodies

The above list is not exhaustive and consideration will be given to repeat applications on an individual basis.

Stopping DHPs

If the council decides that DHPs are being or have been made because of misrepresentation / failure to disclose information correctly or the Local Authority has paid in error, the payment can be stopped.

Recovery of DHPs

We can recover DHP's if we decide that payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. We can also recover DHP's if we decide the customer has been paid as a result of an error made when the claim was determined.

We cannot recover DHP's from ongoing Housing Benefit or Universal Credit. This is unlike Housing Benefit (HB) overpayments where there is a regulatory provision to allow recovery from ongoing Housing Benefit. There is also no provision for recovery of overpaid DHP's from other prescribed benefits.

Overpaid DHP's will be requested from the customer via invoice. Customers will have the opportunity to repay their debt in full or make an arrangement to repay in instalments within a reasonable timeframe.

Circumstances Where It Is Not Appropriate To Award A DHP

- **Ineligible charges:** a service charge that is not eligible for HB cannot be covered by a DHP. These are as specified in Schedule 1 to the Housing Benefit Regulations 2006 and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006. Nor can DHPs cover charges for water, sewerage, and environmental services – as defined and calculated under the HB provisions.
- **Increases in rent due to outstanding rent arrears:** Regulation 11(3) of the

Housing Benefit Regulations 2006 and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer. This refers to those cases where a customer's rent is increased on account of outstanding arrears which are owed by the customer in respect of their current or former property.

- **Sanctions and reductions in benefit:** DHPs cannot meet these because to do so would undermine the effectiveness of the sanctions or reduction in benefit. These are:
 - Any reduction in Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) due to a Reduced Benefit Direction (RBD) for failure to comply with the Child Support Agency in arranging maintenance. The RBD is a reduction in benefit of 40% of the personal allowance and only applies to IS or JSA(IB)
 - Any reduction in benefit as a result of non-attendance at a work-focused interview. This applies both where the person's HB is reduced and when any other benefit that the person is receiving, such as IS is subject to a sanction
 - Any reduction or loss of benefit due to a JSA employment sanction. JSA is not payable for the period of sanction if they have contributed towards their unemployed status, for example, by leaving employment voluntarily or failing to attend a prescribed training scheme. In such cases, it may be possible for a reduced rate of JSA to be paid under the JSA hardship provisions
 - Any reduction in benefit due to a JSA sanction for 16/17 year olds - for certain young people who receive JSA under a Severe Hardship Direction. JSA is not payable for the period of the sanction if they have contributed towards their unemployed status, for example, by leaving unemployment voluntarily or failing to attend a prescribed training scheme,
 - Or any restriction in benefit due to a breach of a community service order
 - Any reduction in UC due to a sanction as specified under regulation 100 of the UC Regulations 2013
 - Any restriction due to repayment of a social fund loan
- **Benefit suspensions:** - HB can be suspended either because there is a general doubt about entitlement or because a customer has failed to supply information relevant to their claim. In such cases, it would not be permissible to pay DHPs instead. One of the intentions of the suspension provisions is to act as a lever to ensure that the customer takes the necessary steps to provide the authority with the necessary information / evidence. Paying DHPs could reduce the effectiveness of this lever.

- **Shortfalls caused by HB overpayment recovery:** when recovery of an HB overpayment is taking place, such shortfalls should not be considered for a DHP
- Rent, when the person is getting Council Tax support but not HB or help towards housing costs in UC: so if someone is only getting local Council Tax support, we cannot award a DHP towards rental liability

From Annexe B of Draft Department for Work and Pensions Good Practice Guide 2013

Future Applications

Where changes are anticipated, such as the introduction of size criteria in the social rented sector or introduction of the benefit cap, we will allow applications for DHP's from customers in advance to help alleviate uncertainty for some. We will advise customers of an award that will start from a future date, subject to any subsequent change in circumstances.

Monitoring Arrangements

The government has provided councils with a single budget figure for the provision of DHP awards. The council then has to monitor this budget throughout the year to ensure that awards are targeted to those most in need whilst ensuring there is sufficient budget to provide necessary support throughout the year. The Welfare Reform and Support Team will undertake this monitoring.

The government asks councils to record if customers have been affected by one of the following:

- Benefit cap
- Removal of spare room subsidy in the social rented sector
- Local Housing Allowance restrictions
- Combination of reforms
- No impact

They also ask councils to record the intended outcome when making an award. These awards are broadly grouped into the areas that cover the policy intention of DHPs:

- To help secure and move to alternative accommodation (e.g. rent deposit)
- To help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
- To help with short-term rental costs while the claimant seeks employment
- To help with on-going rental costs for disabled person in adapted accommodation
- To help with on-going rental costs for foster carer
- To help with short-term rental costs for any other reason

Publicity

Shropshire Council will publicise the Discretionary Housing Payment Scheme by promoting it via:

- The council's website,
- The council's hubs and customer service centres
- Local Registered Social Landlords
- The council's Housing Options Team
- Citizens Advice Shropshire
- Age UK
- A4U
- Local Landlord Forums
- Elected council Members

Support into work

The Scheme will support the government's Welfare Reform agenda by signposting people towards work opportunities where possible. This can include:

- Signposting people towards skills-based support and training by various agencies, such as challenging expectation, culture change, confidence building, training, help with skills, work clubs, help with CVs and job applications
- Signposting people to the Benefit Options Team in order that they can provide 'better-off in work' calculations
- Signposting people towards County Training who can signpost people to apprenticeships
- Providing people with clothing and travel for interviews where this cannot be provided by Jobcentre Plus.
- Signposting people towards Wheels to Work and Transport Solutions
- Providing people with help towards fuel for transport to new employment if they have not been paid yet and this cannot be provided by another source.

Policy Review

The welfare reform agenda means that it is highly probable that changes to this document and the practical application of the scheme will need to be made throughout the year.

This page is intentionally left blank



Shropshire Equality and Social Inclusion Impact Assessment (ESIIA)

170615 Lois Dale comments from external support perspective are in bold and italics prefaced with LD

Discretionary Housing Payments

Shropshire Council Part 1 ESIIA: initial screening and assessment

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

Name of service change

Discretionary Housing Payments Policy

Aims of the service change and description

Discretionary Housing Payments (DHP's) are only available to people who are entitled to Housing Benefit or Council Tax Support. DHP's are expected to be awarded in unusual or extreme circumstances where additional help with rent or housing costs will have a significant positive impact in alleviating hardship and avoid deprivation particularly where people are vulnerable or where there is risk of homelessness or of family break up.

There are no prescribed resource tests for DHP's: however, Local Authorities must satisfy themselves that the person making the application is in need of further financial assistance with their housing costs. DHP's are made entirely at the Local Authority's discretion and it is for them to decide what should be awarded and for what period in any particular case.

Recent changes to the Housing Benefit system have altered entitlements to help with social sector housing costs in the same way that earlier changes affected the private rented sector: the size of the household of working age clients is taken into account when deciding the appropriate level of rent to be met. The end of the "spare room subsidy", which is a limitation to the amount of rent allowed in a benefit assessment based on the number of bedrooms necessary for the household, potentially affects more single people and smaller families.

Other changes that impact on the population are around the recent extension of allowing only the shared room rate of assistance to anyone aged under 35. This is lower than the assistance for a single bedroomed property and now affects a wider spectrum of younger people.

There has been a recent High Court ruling clarifying the treatment of a Disability Living Allowance (or similar income) when considering a person's available income. The ruling held that such income is disregarded and is not to be treated as available towards payment of rent shortfalls. The policy reflects this ruling in full.

Intended audiences and target groups for the service change

- People receiving Housing Benefit and/or Council Tax assistance.
- Landlords
- Advice agencies and representative groups

Evidence used for screening of the service change

The Department for work & Pensions produce guidance and clarification on the administration of DHP's via the Discretionary Housing payments Guidance Manual
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/184207/discretionary-housing-payments-guide.pdf

The guidance produced by the Department for Work & Pensions, although not binding on Local Authorities, provides detailed requirements as well as good practice guidelines and therefore forms the sound framework upon which Shropshire's DHP policy has been based. Guidance is therefore inclusive and without bias for all who carry primary entitlement which is entitlement under the Housing Benefit /Council Tax Assistance rules.

Local statistics from the Housing Benefit delivery system (December 2014) indicate that there are currently 16647 live claims to Housing Benefit within Shropshire. Of these, 6465 are from people over pension age leaving 10,182 from claimants of working age. The majority of claims, some 11629, indicate that there are dependent children in the household.

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

The delivery of DHP's was recently subjected to Member scrutiny via a Task & Finish Group which called upon advice sessions provided by Housing Associations and their Support workers, charitable organisations and internal Council advisers. The minutes of the Task & Finish Group can be found as follows:

[https://shropshire.gov.uk/committee-services/documents/s4357/FinalreportoftheDiscretionaryHousingPaymentsDHPTaskandFinishGroup .pdf](https://shropshire.gov.uk/committee-services/documents/s4357/FinalreportoftheDiscretionaryHousingPaymentsDHPTaskandFinishGroup.pdf)

Potential impact on Protected Characteristic groups and on social inclusion

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

Initial assessment for each group

Please rate the impact that you perceive the service change is likely to have on a group, through inserting a tick in the relevant column. Please add any extra notes that you think might be helpful for readers.

Protected Characteristic groups and other groups in Shropshire	High negative impact <i>Part Two ESIIA required</i>	High positive impact <i>Part One ESIIA required</i>	Medium positive or negative impact <i>Part One ESIIA required</i>	Low positive or negative impact <i>Part One ESIIA required</i>
Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)			✓	
Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)			✓	
Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)				No evidence to suggest either positive or negative impact
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				No evidence to suggest either positive or negative impact
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No evidence to suggest either positive or negative impact
Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				No evidence to suggest either positive or negative impact
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers;			✓	

rural communities; people you consider to be vulnerable)				
--	--	--	--	--

Decision, review and monitoring

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

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

Actions to mitigate negative impact or enhance positive impact of the service change

The delivery of DHP's will continue to be subject to scrutiny and in accordance with any future changes published via the DWP guidance manuals.

Actions to review and monitor the impact of the service change

Following the comprehensive work carried out by Members through the Scrutiny task and finish group, there will continue to be ongoing engagement with people who are entitled to Housing Benefit or Council Tax Support and across the Protected Characteristic groupings. The intention is that this will enable collection of local evidence about impact of the policy, and demonstrate the role of local Shropshire Council councillors as community leaders in supporting vulnerable households through the implementation of policies such as this.

Shropshire Council will continue to utilise the good practice guidance issued by the Department for Work & Pensions as the basis for continuing delivery of this service and will compare our delivery against that of other Local Authorities. System statistics will continue to be collated and analysed for impact upon protected characteristic groupings.

Scrutiny at Part One screening stage

People involved	Signatures	Date
Lead officer carrying out the screening	<i>Chris Westwood</i>	7 May 2015
Any internal support*		
Any external support**	<i>Lois Dale</i> Mrs Lois Dale, Principal Rural Policy Officer; ext 5684	17 June 2015
Head of service		

**This refers to other officers within the service area*

***This refers either to support external to the service but within the Council, eg from the Principal Rural Policy Officer, or support external to the Council, eg perhaps from a peer authority*

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>	<i>Chris Westwood</i>	7 May 2015
<i>Head of service's name</i>		

Shropshire Council Part 2 ESIIA: full report

Guidance notes on how to carry out the full report

The decision that you are seeking to make, as a result of carrying out this full report, will take one of four routes:

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

The Part Two Full Report therefore starts with a forensic scrutiny of the evidence and consultation results considered during Part One Screening, and identification of gaps in data for people in any of the nine Protected Characteristic groups and people who may be at risk of social exclusion, eg rural communities. There may also be gaps identified to you independently of this process, from sources including the intended audiences and target groups themselves.

The forensic scrutiny stage enables you to assess:

- **Which gaps need to be filled right now, to help you to make a decision about the likely impact of the proposed service change?**

This could involve methods such as: one off service area focus groups; use of customer records; examination of data held elsewhere in the organisation, such as corporate customer complaints; and reference to data held by similar authorities or at national level from which reliable comparisons might be drawn, including via the Rural Services Network. Quantitative evidence could include data from NHS Foundation Trusts, community and voluntary sector bodies, and partnerships including the Local Enterprise Partnership and the Health and Well Being Board. Qualitative evidence could include commentary from stakeholders.

- **Which gaps could be filled within a timeframe that will enable you to monitor potential barriers and any positive or negative impacts on groups and individuals further along into the process?**

This could potentially be as part of wider corporate and partnership efforts to strengthen the evidence base on equalities. Examples would be: joint information sharing protocols about victims of hate crime incidents; the collection of data that will fill gaps across a number of service areas, eg needs of young people with learning disabilities as they progress through into independent living; and publicity awareness campaigns that encourage open feedback and suggestions from a variety of audiences.

Once you have identified your evidence gaps, and decided on the actions you will take right now and further into the process, please record your activity in the following boxes. Please extend the boxes as needed.

Evidence used for assessment of the service change: activity record

How did you carry out further research into the nine Protected Characteristic groups and those who may be at risk of social exclusion, about their current needs and aspirations and about the likely impacts and barriers that they face in day to day living?

And what did it tell you?

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

How did you carry out further specific consultation and engagement activity with the intended audiences and with other stakeholders who may be affected by the service change?

And what did it tell you?

Further and ongoing research and consultation with intended audiences and target groups for the service change: activity record

What further research, consultation and engagement activity do you think is required to help fill gaps in our understanding about the potential or known affect that this proposed service change may have on any of the ten groupings and on the intended audiences and target groups? This could be by your service area and/or at corporate and partnership level.

Full report assessment for each group

Please rate the impact as you now perceive it, by inserting a tick. Please give brief comments for each group, to give context to your decision, including what barriers these groups or individual may face.

Protected Characteristic groups and other groups in Shropshire	High negative impact	High positive impact	Medium positive or negative impact	Low positive or negative impact
Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)				
Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				
Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)				
Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)				
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people you consider to be vulnerable)				

ESIIA Full Report decision, review and monitoring

Summary of findings and analysis - ESIIA decision

You should now be in a position to record your decision. Please highlight in bold the route that you have decided to take.

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

Please add any brief overall comments to explain your choice.

You will then need to create an action plan and attach it to this report, to set out what further activity is taking place or is programmed that will:

- *mitigate negative impact or enhance positive impact of the service change,*
AND
- *review and monitor the impact of the service change*

Please try to ensure that:

- *Your decision is based on the aims of the service change, the evidence collected, consultation and engagement results, relative merits of alternative approaches and compliance with legislation, and that records are kept;*
- *The action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.*

Scrutiny at Part Two full report stage

People involved	Signatures	Date
<i>Lead officer</i>		
<i>Any internal support</i>		
<i>Any external support</i>		
<i>Head of service</i>		

Sign off at Part Two full report stage

Signature (Lead Officer)	Signature (Head of Service)
Date:	Date:

Appendix: ESIIA Part Two Full Report: Guidance Notes on Action Plan

Please base your action plan on the evidence you find to support your decisions, and the challenges and opportunities you have identified. It could include arrangements for:

- continuing engagement and involvement with intended audiences, target groups and stakeholders;
- monitoring and evaluating the service change for its impact on different groups throughout the process and as the service change is carried out;
- ensuring that any pilot projects are evaluated and take account of issues described in the assessment, and that they are assessed to make sure they are having intended impact;
- ensuring that relevant colleagues are made aware of the assessment;
- disseminating information about the assessment to all relevant stakeholders who will be implementing the service change;
- strengthening the evidence base on equalities.

Please also consider:

- resource implications for in-house and external delivery of the service;
- arrangements for ensuring that external providers of the service are monitored for compliance with the Council's commitments to equality, diversity and social inclusion, and legal requirements including duties under the Equality Act 2010.

And finally, please also ensure that the action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.

These are:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations

Note for 2014 refresh of our corporate equality impact assessment approach: Shropshire Council has referred to good practice elsewhere in refreshing the EINA material and replacing it with this ESIIA material. The Council is grateful in particular to Leicestershire County Council, for graciously allowing use to be made of their Equality and Human Rights Impact Assessments (EHRIsAs) material and associated documentation.

For further information on the use of ESIIAs: please contact your head of service or contact Mrs Lois Dale, Principal Rural Policy Officer and internal policy support on equality, via telephone 01743 255667, or email lois.dale@shropshire.gov.uk.

Appendix C:

Discretionary Housing Payments

Recommendations Review

Report of the Task & Finish Group

Background

During 2014, the Task & Finish Group examined the Council's approach to the administration of Discretionary Housing Payments in Shropshire.

Both Scrutiny and Cabinet accepted the Group's recommendations.

One of these was to conduct a further review after 6 months to assess the impact of the revised policy and in particular whether DLA should be excluded from the entitlement calculation.

Scrutiny approved the scope of the Task & Finish Group's work and this has been carried out in accordance with this.

Report

Following approval of the scope, the Task & Finish Group set to work on two issues:

- A response to the policy consultation
- Review of the Group's original recommendations

The Group held two meetings and received various items of information in between.

The Group also met with Support Workers to gauge their view on both the operation of the Council's scheme since the changes were introduced and the policy consultation.

One of the main issues originally identified by the Task & Finish Group was whether DLA should be excluded from the income assessment to determine entitlement to DHP.

During the course of our review, a case before the Tribunal determined that DLA should not be included as part of the income assessment.

Accordingly, the Council's policy has been amended accordingly to reflect this.

The Task & Finish Group submitted a response to the policy consultation document and this is attached below as Appendix 1.

The Task & Finish Group also considered its other recommendations from the original review.

Below is set out the original recommendations, commentary on progress since their approval and the Group's response:

1. The Group is concerned it is unable to evidence original approval of the scheme and that it may be timely for Council to re-approve the policy with a particular clarification of the Council's objectives for the use of DHPs.

- A new policy has been drafted to reflect the council's administration of the scheme – this went to cabinet on 11 February and is part-way through a period of consultation due to end on 23rd April, 2015.

The Group supports this approach and has contributed to the consultation.

2. Given the impact of Welfare Reform and other pressures the Group acknowledges the importance of DHPs and the support it can provide to tenants at a time of change.

- No action required

Despite the reduction in budget allocated to the Council, the Group continues to acknowledge the importance of DHPs. If the pressure on the budget is such, the Group recommends the Council considers making additional resources available within the framework allowed by the DWP.

3. The Group believes it is important to ensure the use of Shropshire's allocation is maximised to support the need of Shropshire tenants.

- The team administering DHP has adopted the new ways of working and the level of spend on DHP has increased significantly to that of the previous year.
- The spend has increased by £87,472 in this past year.
- It is envisaged that the budget will be spent in its entirety this year as we now have to disregard disability-related income when considering awards. We also have an increased number of rent in advance applications and this number seems to be increasing. We also expect

an extra demand on the budget for DHP applications from customers in receipt of Universal Credit.

2013/14		2014/15		2015/16	
Govt. allocation	£277,475	Govt. allocation	£383,819	Govt. allocation	£325,939
An increase in allocation of £166,285		An increase in allocation of £106,344		A decrease in allocation of £57,880	
Actual spend	£214,786	Paid to date and committed spend	£302,258		
		An increase in spend of £87,472			
		% of budget spent	78.75%		

The Group acknowledges whilst the spend on DHPs increased during 2014/15, the Council still returned some £81,000 to the DWP at year end. Given the pressures likely to be faced in the current year, it is unfortunate that Councils were not permitted to carry forward any underspend to support these increased pressures.

4. The statistics on grant and refusals of awards are provided for the DWP which do not give a full picture of the scheme's operation. The Group feel a local set of indicators would be beneficial in understanding its operation and outcomes.

- We record the number of awards and refusals (please note, however, that we cannot record these accurately because some awards have multiple periods but are only actually one award).
- We also record our signposting activities
- We recommend that we start recording and reporting on the following indicators from April 2015. This would be a cumulative report each month:
 - i. Number of awards
 - ii. Number of refusals and breakdown of the reasons
 - iii. The number of awards and refusals signposted to:
 1. support agencies
 2. debt advice
 3. look for alternative housing options
 4. HOT
 5. County Training
 6. Carer Support

2014/15		2015/16 (so far)	
Number of awards	207 x one-off awards 872 x ongoing awards	Number of awards	8 x one-off awards 64 x ongoing awards
Number of refusals	111 x one-off awards 5 repeat apps, 89 ineligible 1 fail recommend of SW 1 fail recommend of SC 11 excess income 4 excessive expend. 262 x ongoing awards 1 repeat app 81 ineligible 1 fail recommend of SW 8 fail recommend of SC 168 excess income 3 excessive expend.	Number of refusals	8 x one-off awards 1 repeat app 1 excessive expend. 6 ineligible 2 x ongoing awards 2 excess income
The following count is from June 2014 onwards			
Number of Awards Signposted to:		Number of Refusals Signposted to:	
support agencies	75	support agencies	13
debt advice	25	debt advice	8
look for alternative housing options	58	look for alternative housing options	4
HOT	1	HOT	0
County Training	4	County Training	1
Carer Support	1	Carer Support	0

The Group supports the introduction of the suggested indicators.

5. The Group supports the introduction of the revised process from 1st June as a more flexible, simplified approach. It suggests that its impact be reviewed in 6 months' time by the Task & Finish Group.

- A more flexible approach has been used by the team since the recommendations of the group and this approach continues to be used in the daily administration of the scheme.

- A recent meeting with support workers demonstrated that support workers feel the new process works much better than the previous one. They have found staff very helpful throughout their dealings.

The Group acknowledges the improvements made to the process which has introduced a more flexible and simplified approach. This is now having a positive impact.

6. Given the commentary within the report, the Group believes that at the present time DLA should not be excluded from the calculation but this should form a key aspect of the 6 month review referred to in recommendation 5 to ensure the needs of disabled tenants are being met.

- This issue has been superseded by a recent court ruling that DLA income should be disregarded when considering DHP applications. The new policy will be re-written to reflect this change. It should be noted that this change will place a significant pressure on the budget for 2015/16. Matters of note are:
 - i. The reduced budget for 2015/16.
 - ii. The increase in requests by social sector tenants for rent in advance, some of whom are considering increasing their rent in advance periods to one month.
 - iii. The increased impact of the introduction of Universal Credit
 - iv. The large number of extra people who will qualify for support now that DLA is to be disregarded

The Group, as referred to elsewhere, welcomes the clarity now provided though it acknowledges the potential impact on the budget for 2015/16. As per item 2 above, if the pressure on the budget is such, the Group recommends the Council considers making additional resources available within the framework allowed by the DWP.

7. Whilst most applications are from social housing tenants, the scheme also applies to tenants in the private rented sector. Though engagement has proved difficult, the Group believes that attempts should be made to better support private rented tenants through the use of DHPs.

- DHP has been promoted at the council's Private Landlord Forums on many occasions. The next National Landlords Association (NLA) landlord forum in Shropshire is on 6th July, 2015 at the Council Chamber in Shirehall and I intend to promote DHP at the next session.

- All Benefits staff are aware of the DHP scheme and they signpost customers who raise difficulties in meeting their rent shortfalls to the availability of this scheme.

The Group supports continued attempts to support private rented tenants through the use of DHPs

8. The Group had discussion about tenant's awareness of DHPs. Though obviously Support Workers and others are well versed in DHPs the Group felt there should be a greater awareness by tenants of DHPs and their purpose.

- **What we have done:**
 - 1) We have information regarding DHP's on the council's website.
 - 2) We promote the scheme at the council's Private Landlord Forums.
 - 3) We emailed the following teams and services to advertise the scheme and the help it can provide:
 - i. Family Solutions Team
 - ii. Citizens Advice Shropshire
 - iii. Shropshire Council Customer Services (Face to Face and Contact Centre staff)
 - iv. Local RSL liaison contacts so that the DHP scheme can be promoted to their staff
 - v. The council's Housing Options Team
 - vi. The council's Benefit Options Team
 - vii. Age UK
 - viii. A4U
- **What we can do:**
 - 1) Briefings for member surgeries
 - 2) Briefings for CMHT / CSMT
 - 3) Briefings for People2People

The Group supports this approach.

9. It is clear that many applications relate to the impact of the Spare Room Subsidy. Whilst a number of people have been assisted to downsize to more appropriate accommodation, it is clear there is a shortage of such accommodation. Though perhaps outside the scope of our consideration, the Group strongly believe that future development of social rented housing needs to take account of this shortfall and development programmes need to allow for increasing the availability of one and two bedroom properties. Whilst it is possible that the future policy framework could change, the Group feel that this is an area worthy of further consideration by Scrutiny.

- The Council's development policies say that social landlords can charge either an affordable rent (at 80% of the market rent) or an amount based on the relevant LHA rate, whichever is the lower of the two. This is because the Homes and Communities Agency (HCA) nationally set the rent regulation regime. They force the RP's to charge a higher rent (80% OMR) so the Registered Provider (RP) can borrow more money to build houses (because the Gov't gives a lot less now in grants). Because the LHA rate is a flat set rate across Shropshire, it doesn't recognise or reflect areas of high open market rents where the LHA rate might only be 60% or 70%.
- The housing policy team and the social landlords are all aware of the requirement for one and two bed properties. Whereas previously, applications were made to the council to approve the building of (in order of preference) 3 bed and then 2 bed properties, applications are now received for 2 bed, 1 bed and then 3 bed properties. One bed properties were never previously granted because they were considered to be inflexible units, however, the introduction of the removal of the spare room subsidy (the 'bedroom tax') means these requests are now granted due to the increased demand for this type of accommodation.
- There can sometimes be a battle between social landlords and developers because social landlords want 2 bed houses but developers want 2 bed apartments as they are easier to build. Usually the developer seeks our views on what we want and then presents what he wants us to want. We then discuss with RP's what they need and we then make a judgement based on the housing need and what the RP's seek. This does tend to be smaller units (2 bed houses) and a mixture of 2 and 1 bed appts in the urban areas which suits the developer.
- The housing policy team use Homepoint to keep informed about the required demand for certain types of housing and this helps to inform their policies and make their decisions on new development applications.

The Group acknowledges the position and encourages the Council to use its influence to enable the provision of appropriate accommodation to meet the needs of those affected by the Spare Room Subsidy.

Acknowledgements

The Group would like to place on record its thanks for the support and assistance of Chris Westwood and Lucy Simpson during its work. The Group also wish to thank the Support Workers for taking the time to share their experiences and views on how the scheme operates to support the needs of tenants during this time of change.

As the Chair of the Task & Finish Group can I also thank the members of the Task & Finish Group for their contributions to our work.

Councillor Chris Mellings
Chair – DHP Task & Finish Group
June 2015

Appendix 1

Discretionary Housing Payments Policy Consultation

Response of the Task & Finish Group

In its report to Scrutiny in June 2014, the Task & Finish Group was concerned it was unable to evidence original approval of the Council's DHP policy. It therefore recommended it would be timely for the Council to re-approve the policy with particular clarification of the Council's objectives for the use of DHPs.

The T&F Group welcomes publication of the draft policy document and the clarity it gives to the Council's approach.

The Group acknowledges that the use of DHPs is intended to provide short term assistance. It supports the policy of enabling people to meet their rent shortfall whilst they look at alternative solutions.

The Group strongly supports the policy objectives set out on page 5 of the draft policy. The policy should be based on meeting need and providing support to tenants as flexibly as possible.

In its original review, the T&F Group considered at length whether DLA should be excluded from the income calculation. On balance it felt that whilst DLA should continue to be included, it considered that this should form a key aspect of the 6 month review to assess its impact.

Whilst the draft policy recommends DLA continues to be included, a recent Tribunal hearing has ruled that it should be excluded. Given the Group's previous discussion of the issue, it welcomes the clarity now provided by the Tribunal decision and supports the exclusion of DLA from the income calculation.

However, whilst the policy is quite rightly based on consistent decision making throughout the year, the Group recognises that exclusion could place additional

pressure on the DHP budget resulting in it being exhausted before year end with needs still unmet. In the event of this, the Group asks that the Council considers providing additional funding to ensure this need is met.

The Group previously acknowledged the need to support private tenants through the use of DHPs. It supports the need to publicise this to private tenants as much as possible.

Given the wider Welfare Reform agenda, the Group supports the need, as set out in the draft, to keep the policy under review to ensure it is relevant and fit for purpose.

The Group is concerned at the approach of a number of RSLs seeking rent in advance and the impact this may have on the use of DHPs.

In looking at alternative solutions, opportunities for work are an important element. The Group strongly supports the section on "Support into Work." It asks that there is a co-ordinated approach across the Council to support tenants into work and that it keeps this issue under review to maximise the opportunities to work.

In acknowledging there is no right of appeal to an independent Tribunal, to ensure consistency it is important there is a review process. The suggestion for a 2 stage review is therefore welcomed which will not only given consistency but will also build confidence in the decision making process.

Obviously, the T&F Group has specifically focussed here on the draft policy and will be reporting separately to Scrutiny in June on the follow up review of its recommendations.

The draft policy is a key element of this and the Group is grateful for the opportunity to have been able to consider a response to it.

Councillor Chris Mellings
Councillor Dean Carroll
Councillor Madge Sheinton
Councillor Kevin Pardy
Councillor Ted Clarke
Councillor Robert Macey

DHP Task & Finish Group
April 2015

This page is intentionally left blank

Appendix D

Discretionary Housing Payments Policy: summary of replies

Consultation was carried out using the online portal and by directly contacting partner organisations in the Voluntary and Community sector and social sector landlords.

The consultation period ran from 12 March to 23 April and during this time 7 replies were received. Also during this time the Task & Finish Group originally arranged via the Performance Management Scrutiny Committee was reconvened to report on the policy. The report of this group is in a separate appendix.

The consultation asked the following questions and received the following replies

Questions asked the respondent to rate their answer using a scale running from strongly agree to strongly disagree:

1 – Are you responding as someone who has made an application/someone who has helped someone else to apply/a community or voluntary organisation?

Three replies were received from Voluntary/Community Sector employees; two from Registered Social Landlords; One from a Shropshire Council employee and one unidentified.

2 - One of the purposes of this policy is to enable people to meet their shortfall in their rent whilst they look at alternative solutions. This may include them taking proactive steps to address issues in their life. Do you agree or disagree with this proposal?

Five respondents strongly agreed and two agreed with this purpose.

3 - To what extent do you agree or disagree with the stated policy objectives of contributing to the aims listed on page 5 of the draft policy?

Five respondents agreed and two strongly agreed with the policy objectives

4* - We current include certain disability benefits as income when we consider Discretionary Housing Payment award requests. To balance this, we will then consider disability-related expenditure that the person might have to meet from these benefits. To what extent do you agree with this approach?

*NOTE: at the time of the consultation this was the approach taken however the recent High Court ruling on the treatment of this income now means it is excluded from calculations

Although now negated by the court ruling, one respondent strongly agreed with the approach, four agreed and two strongly disagreed, with one quoting the court ruling as the reason.

5 - To what extent do you agree or disagree with the proposal to look at all of a person's income and expenditure to arrive at their ability to pay any rent shortfall?

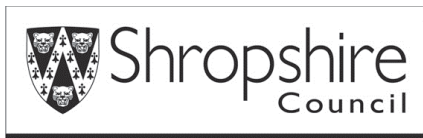
One respondent strongly agreed, five agreed and one neither agreed nor disagreed with the proposal.

6 - If you have any specific comments about these proposals please provide them here, including any other special circumstances that you think we should consider providing Discretionary Housing Payment for.

Three respondents passed additional comments in response: one suggested that in all cases where payments are made to tenants of social landlords, the landlord be informed; one applauded the challenge over applicants financial decisions and the necessity of some outgoings; the third commented that DHP's should not be used to meet rent in advance requests from Social Sector Landlords.

7 - Applications for Discretionary Housing Payments do not carry the right of appeal but there is a system for reconsidering decisions on pages 16 and 17 of the draft policy. To what extent do you agree or disagree with this?

Five respondents agree with the system; one neither agreed nor disagreed; one strongly disagreed but did not give reasons.



Committee and date

Cabinet 29/07/2015

12.30 pm

Item

13

Public

DRAFT LOCAL SUPPORT AND PREVENTION FUND POLICY

Responsible Officer

Email: rod.thomson@shropshire.gov.uk

Tel: 01743 253934

Fax:

1. Summary

- 1.1 The draft policy for the administration of Shropshire's local welfare provision, "The Local Support and Prevention Fund" (LSPF) was presented to Cabinet on 11 February 2015 with the recommendation that, following a period of consultation and any necessary amendments resulting, the policy be brought back to Cabinet for approval.
- 1.2 The Local Support and Prevention Fund represents the areas of the former Social Fund, previously administered by the Department for Work & Pensions that transferred to Local Authorities from April 2013. The main purpose of this funding is to help vulnerable people meet short-term needs when in crisis and to help vulnerable people remain in the community. Shropshire's approach of working holistically within a framework of other providers and of challenging expectation where appropriate has meant that the limited amount of funding available can be profiled over the next 4-5 years to coincide with major changes to the benefits system.
- 1.3 A small number of comments were received during the consultation period which included replies from Housing Association support workers and Voluntary and Community Sector workers, all responses broadly endorsed the purpose and administration of the fund and the comments received resulted in a clearer definition of the qualifying conditions and only minor wording changes elsewhere. A summary of the consultation replies is included in appendix C to this report.

2. Recommendations

- 2.1 Cabinet is requested to approve the revised draft policy.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The income and expenditure of all applicants to the Local Support and Prevention Fund is examined to determine their own ability to meet the stated need. We have identified that customers with disabilities may feel adversely impacted due to the inclusion of their disability income in this income and expenditure check. The purpose of LSPF awards is to alleviate hardship or crisis situations and for this reason when looking at the resources available to someone, the policy includes all of the income available to them including that awarded in recognition of increased costs as a result of disability. The inclusion of disability related income is, we feel, potentially mitigated by offsetting against it any additional expenditure that a person might have as a result of living with their disability. All decisions are discretionary and allow officers to look at all of the facts of a case and all decisions are underpinned by the requirement for fair and consistent decision making throughout. Because of the nature and purpose of LSPF awards we expect that there will be an overall positive impact across the nine protected characteristics groups and on social inclusion. An Equalities and Social Inclusion Impact Assessment is attached to this report at appendix B.

4. Financial Implications

- 4.1 The Government provided councils with limited funding to administer the Local Support and Prevention Fund for the period April 2013 to March 2015. Specific funding for Local Welfare Provision ceased from April 2015 onwards and whilst the LSPF allocation is not an official ring-fenced grant the approach in Shropshire has been to ring-fence the unspent money from 2013/14 and 2014/15 and to profile this to a forward period from 2015 to 2020. This coincides with the roll out of the Universal Credit and other major changes in welfare benefits system which will undoubtedly create demand. To alleviate the risk of the money being clawed back by the Department for Work & Pensions we communicated this approach to them and no objection has been raised by them in return.

5. Background

- 5.1 The Social Fund which was previously administered by the Department for Work & Pensions and incorporated both statutory Maternity and Funeral payments and an entirely discretionary system of grants and repayable loans. Within this were Crisis Loans which were a crisis provision intended to provide short-term help to avoid a risk to a person's health and safety and Community Care Grants to help establish the most vulnerable back into society or to prevent them from entering institutional care.
- 5.2 Local provision has taken over the administration of the Crisis Loan and Community Care Grants elements but has not attempted to replicate the

original scheme. Instead we have developed a more holistic locality based approach which is part of a larger framework of help including local providers such as food bank and furniture schemes, whose costs we then reimburse, as well as incorporating advice and support services that can address any underlying issues identified. No award made by Shropshire Council is repayable.

- 5.3 Incorporating appropriate challenge into the decision making process, referring to support services and working with local providers has combined to give best value for the taxpayer and put Shropshire in the position of being able to continue to offer this help long after the specific funding ceased. There is evidence however that some partner organisations remain uncomfortable with the concept of providing challenge to those that apply.

6. Conclusions:

- 6.1 The resulting policy before cabinet shows how the council administers the Local Support and Prevention Fund. It has been written as a transparent and comprehensive guide explaining the purpose of the fund and what it might pay for, how a claim is made and the considerations applied in the decision making process as well as how a person might challenge a decision if they disagree with the outcome so taking any applicant or person representing them through the requirements of the scheme.

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

<p>Cabinet 11 February 2015: item 20 – Report to Cabinet, Draft LSPF Policy (Pages 1025-1062 of public reports pack)</p>

<p>Cabinet Member (Portfolio Holder) Portfolio Holder for Resources, Finance and Support Councillor M Owen</p>

<p>Local Member All</p>

<p>Appendices</p>

<p>Appendix A – The Local Support and Prevention Fund (LSPF) Draft Policy Appendix B – ESIIA for the LSPF policy Appendix C – Summary of consultation replies</p>

This page is intentionally left blank

LOCAL SUPPORT AND PREVENTION FUND

Shropshire Council's policy with regard to the
administration of the Local Support and Prevention Fund

POLICY

Table of Contents

1. Introduction	4
2. Policy Aims	4
3. Policy objectives	5
4. Basic Eligibility	6
5. Targeted Support	7
Customers most likely to require this form of assistance may include (this list is not exhaustive): ..	7
Awards or immediate financial assistance may include customers who:	7
Assistance to establish or maintain a new home in the community may be considered for customers who, for example (this list is not exhaustive):	8
6. What can awards be used for?	8
Awards could be to help with the provision of:.....	8
Awards would not normally be given for:	8
7. Detailed Eligibility: Support Payments	9
Repeat applications and minimum awards:	10
8. Detailed Eligibility: Prevention Payments	10
Repeat applications and minimum awards:	11
9. The Application Process: All Applications	12
Making an application for LSPF:.....	12
Supporting Evidence Requirements:	12
Treatment of income and expenditure:.....	13
Decision making:	14
10. Support into work	14
11. Methods of Payment	15
12. Monitoring Arrangements	15
13. Appeals and Reconsiderations	15
14. Fraudulent claims	16
15. Changes in Circumstances	16
16. Repeat Award Requests	17
17. Recovery of LSPF Awards	17
18. Publicity	17
19. Policy review	18

Background

In October 2010 the Government published the White Paper 'Universal Credit: welfare that works'. This paper detailed the Government's proposals for wide-ranging welfare reform. Included within the proposals was the reform of the Discretionary Social Fund. This was administered by the Department for Work and Pensions (DWP) until March 2013 and was transferred to local authorities to administer as 'Local Welfare Provision' from April 2013.

The Government considered that the service would be better delivered locally using local discretion because local communities would be able to better identify and meet the needs of the most vulnerable. It also identified that localising the service would make it possible to improve the quality of decision making and to integrate with locally designed programmes that can provide complementary avenues of assistance.

The elements of the Discretionary Social Fund that have been replaced with local provision are:

- Community Care Grants
- Crisis Loans

Crisis Loans were repayable interest free loans awarded to meet immediate needs such as general living expenses or items needed following a disaster. Community Care Grants (CCG's) were non-repayable grants to enable vulnerable customers to live in the community.

The purpose of the new Localised Support Scheme was to replace elements of the Social Fund that are no longer administered by the DWP, specifically Community Care Grants and Crisis Loans. The stated intention was that that the old scheme administered by the DWP should not simply be replicated. The scheme in Shropshire is administered by the Welfare Reform and Support Team.

Shropshire's replacement scheme is called the Local Support and Prevention Fund. All awards made whether "prevention" payments (which align broadly to the old Crisis Loans) or "Support" payments (broadly aligned to the old Community Care Grants) are non-repayable and may be made up of awards in kind such as food parcels, furniture or fuel credits, with cash payments being a last resort only in emergencies. The fund is administered within Shropshire Council by the Welfare Reform and Support Team.

The scheme is still targeted on helping vulnerable people to meet their immediate short term needs in the event of a crisis and also on supporting vulnerable people to live independently in the community. Appropriate decision making skills and guidance ensure that we make consistent decisions of high quality, targeting limited funds where they are needed most, and within agreed service levels including rapidity of response.

Guidance ensures that each customer is treated fairly and equitably and that full consideration is given to their circumstances and the scheme will offer challenge where appropriate to use alternative avenues of help and funding where this is practicable and reasonable. The Welfare Reform and Support Team work in partnership with voluntary and community sector providers to ensure best value is obtained in using the fund.

Discretionary decision making means we can consider the wider aspects of an application with consideration given to the nature, extent and urgency of the need in every case. In addition to receiving applications from customers and their representatives, the scheme endeavours to use intelligence-led proactive measures working alongside key partners to identify and target support to those most in need.

DRAFT

Policy

1. Introduction

The DWP allocated specific funds to local authorities in 2013/14 and 2014/15 for the administration of Local Welfare Provision. At the time of writing this policy, the DWP are reviewing how the scheme will be funded in future years.

To administer the scheme, Shropshire Council works closely with our partner organisations (particularly Housing Associations and support workers) in order to utilise a range of solutions and alternatives available in order to ensure that the fund is used to help Shropshire's most vulnerable citizens, often at very critical moments in their lives.

- The 2013/2014 allocation of funds to Shropshire Council was £467,992
- The 2014/2015 allocation of funds to Shropshire Council is £459,740

2. Policy Aims

The policy sets out how Shropshire Council will deliver Local Welfare Provision via its Local Support and Prevention Fund.

There are two key policy aims:

- To provide quick and effective support to people who require help to meet an immediate short term need
- To assist people to establish themselves or maintain their independence in the community

This policy also aims to not just provide the immediate support required above but to increase self-reliance and resilience by taking preventative action to reduce costly crisis interventions and future dependency on the scheme. The team will achieve this by signposting people to the following, as required (this list is not exhaustive):

- budgeting and financial advice
- a variety of support services who can assist them with other personal difficulties
- Community Mental Health support
- Community Substance Misuse support
- Citizens Advice Shropshire

By looking at the background to each application and by offering applicants the chance to seek assistance with underlying difficulties, we align the objectives of this policy with those of the Discretionary Housing Payments Policy and the corporate priorities shown below.

Shropshire Council’s policy will contribute to the following corporate priorities and outcomes:

PRIORITIES	
Growing	Help to manage our environment (in a way that helps Shropshire to thrive)
Protecting	Strive to keep people from harm (in a way that doesn’t compromise their choices)
Helping	Help people, communities and businesses to help themselves (in a way that helps them to make the most of the choices available to them)

OUTCOMES	
Your Money	Feel financially secure and to believe in a positive future for myself and my family
Your Health	Live a long, enjoyable and healthy life
Your Life	Feel valued as an individual and to live my life, with my choices respected and with as few compromises as possible
Your Environment	Live in an attractive, vibrant and safe environment, in a place that is right for me
Your Council	Feel confident that the council is doing the right things with my money and that my needs are at the centre of any decisions taken about my life

(Shropshire Council Business Plan and Financial Strategy 2014-2017)

The policy will contribute to these outcomes by providing help to the most vulnerable residents that will enable them, as part of a wider programme of support, to maintain themselves in the community. We will deliver this within the limits of the available funding.

3. Policy objectives

The LSPF policy will be administered as part of a wider scheme of help and support which includes Discretionary Housing Payments and will contribute to common aims, namely:

- alleviating poverty
- encouraging and sustaining people in employment
- tenancy sustainment and homelessness prevention
- safeguarding residents in their own homes
- helping those who are trying to help themselves

- keeping families together
- helping to provide stability to children
- preventing homelessness for those at risk of losing their home
- supporting domestic violence victims who are trying to move to a place of safety
- supporting the vulnerable or the elderly in the local community
- helping claimants through personal crisis and difficult events
- supporting young people in the transition to adult life, or
- promoting good educational outcomes for children and young people
- supporting the work of foster carers
- supporting disabled people to remain in adapted properties
- supporting care leavers

To illustrate:

We may use an LSPF award to assist a person feeling domestic violence to move to alternative accommodation by providing them with essential items of furniture, white goods and assisting them with fuel and food.

We may help a person to remain in new employment by helping them with transport costs to their new place of employment until they are first paid.

We may help someone who needs to be moved from temporary to permanent accommodation with essential food, fuel and furniture so that they can form a stable home in the community.

4. Basic Eligibility

To be eligible for a support or prevention payment the person must be:

- Aged 16 or over and
- Not be a person subject to immigration control and
- On a low income and without access to sufficient funds to meet their immediate needs or
- Leaving care or
- Require support to stay in the community or
- Have demonstrated they are without immediate resource to meet the basic needs of themselves and / or their dependents.

All requests will be considered on an individual basis with due account given to the vulnerability and personal circumstances of each customer. An individual's personal circumstances, the amount requested and the importance of the need within the circumstances will form the basis for the prioritisation of awards.

People who are **ineligible** for support are as follows:

- People subject to immigration control or who have no recourse to public funds
- Prisoners and people lawfully detained, including those released on temporary licence (but not those released on parole or on bail pending a court hearing)
- Members of a religious order who are fully maintained by the order
- Full-time students under 19 and in full-time education (unless they are getting Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance).
- People in a hospital or care home
- People who live outside Shropshire unless they need removal costs to move into Shropshire

5. Targeted Support

Applications will be accepted from those deemed eligible as listed above however the scheme will seek to identify and prioritise those in most urgent need. It will target those within the community who have been identified as the most vulnerable and in need of urgent financial assistance or support. The scheme will consider paying awards under two types of need to those customers who require immediate support and to customers who require assistance to establish or maintain a home in the community.

Customers most likely to require this form of assistance may include (this list is not exhaustive):

- Families under exceptional pressure
- Homeless people or rough sleepers
- Vulnerable older people
- People fleeing domestic violence
- Young people leaving care
- People moving out of institutional or residential care
- Ex-offenders leaving prison or detention centres
- Chronically or terminally ill people
- People with alcohol or drug issues
- People with learning difficulties.

Awards or immediate financial assistance may include customers who:

- Have no essential food
- Need essential goods associated with infants/children
- Have no heating or cannot meet other household fuel costs for pre-payment meters
- Require help with emergency travel costs

- Have suffered a major upheaval or disaster (events of great or sudden misfortune, such as major flooding, gas explosion, chemical leak or house fire, but not minor mishaps or damage)
- Require suitable clothing for job interviews or work
- Require help towards essential medical related costs (where not provided by the NHS or another body)
- Require assistance to cover living expenses until they receive their first payment of benefit or salary, where this is not met by other benefits.

Assistance to establish or maintain a new home in the community may be considered for customers who, for example (this list is not exhaustive):

- Have been in long term care
- Have left prison
- Have fled domestic violence
- Move to supported accommodation/independent living
- Need essential repairs to heating systems or modes of travel

6. What can awards be used for?

Awards could be to help with the provision of:

- Living expenses (gas, electricity, heating oil, food)
- Beds
- Bedding
- White goods
- Provision of heating appliances
- Essential domestic appliances/cookware
- Essential domestic furniture (including white goods)
- Clothing for expectant mothers and babies
- Travel expenses (including emergency transport costs)
- Deposits or rent in advance for new accommodation
- Replacing household items including clothing

Awards would not normally be given for:

- A television or satellite cost or repair
- Installation of a telephone or telephone line
- Housing costs or arrears of rent

- Costs normally met by state support or benefits including Universal Credit
- Debts, including those to a government department
- Motor vehicle expenses
- TV license
- Maternity expenses
- Cold Weather Payments
- Winter Fuel Payments
- Housing costs, repairs or improvements
- Where the customer has access to sufficient income or savings
- Costs associated with care provision
- Educational or training needs (such as school uniforms)
- Court or legal fines, fees, expenses etc
- Removal or storage on compulsory purchase
- Domestic assistance or respite care
- Medical, surgical, optical, oral or dental items
- Work-related expenses
- Investments
- Mobility needs
- Holidays
- Car expenses
- Fuel (petrol or diesel costs) that are unrelated to travel to and from work

The scheme will seek to provide holistic support, taking into account alternative local provision including Discretionary Housing Payments, Disability Related Expenditure allowances within social care charging policy, Council Tax Support and Disabled Facilities Grant.

7. Detailed Eligibility: Support Payments

Support Payments are intended to help with expenses so that people can live in the community and families can stay together. Support Payments are discretionary, thus allowing us to take into account the applicant's circumstances and the background to the application. Support Payments do not have to be repaid.

Someone can apply for a support payment if they are without immediate resource to meet the basic needs of themselves and / or their dependents.

We will look at any capital held by applicants when deciding award requests and we will consider whether they are able to purchase the items themselves.

Given its specific purpose, a support payment will only be considered in particular circumstances.

- A payment may be awarded if it will assist an applicant or a family member included in their benefit award to establish themselves back in the community following a stay in institutional or residential care.
- A payment may be awarded in order to help an applicant stay in the community rather than go into institutional or residential care.
- A payment may be made to ease exceptional pressures on a family.
- A payment may be made to help provide for a prisoner or young offender whilst they are on home leave.
- A payment may be made to help someone set up home as part of a planned resettlement program following an unsettled period, for example being homeless.
- A payment may be made to promote community care by helping a member of the family with travel expenses, including the cost of overnight accommodation, as long as the travel is within the United Kingdom. The travel must be necessary to:-
 - visit someone who is ill
 - attend a relative's funeral
 - ease a domestic crisis
 - visit a child who is living with their other parent while waiting for a court decision
 - move to suitable accommodation

Some expenses are always excluded from Support Payments. Any expense outside the United Kingdom cannot be included. Other ineligible expenses include any item or service that a government department or Council has a statutory duty to provide.

The discretionary nature of decision making within the scheme will allow for broad interpretation as required with a wide range of circumstances being considered in any such applications.

Repeat applications and minimum awards:

A person cannot receive a support payment if they have applied for the same item or service within the previous 12 months unless circumstances have changed.

Applications to the Support Payment fund are limited to 2 in any 12 month period.

8. Detailed Eligibility: Prevention Payments

Prevention payments are available to anyone aged 16 or over where they do not have the resources to meet the immediate short-term needs for themselves or their family. Applicants do not have to be in receipt of any benefits, but they must not have money available which could be used to meet the need.

A person cannot get a prevention payment if:-

- they are in a care home or in hospital, unless they are going to be discharged within the next two weeks
- they are a prisoner being held in prison
- they are a member of a religious order which meets all accommodation and living costs
- they are under 19 and in full-time education (unless they are getting Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance).

Some other groups of people can only get a prevention payment in exceptional circumstances, for example some students, people on strike and people who have been disallowed other benefits. Immigration status will also affect entitlement.

A prevention payment can be paid for certain expenses that have come about as the result of an emergency or disaster. In an emergency, a customer can only receive a prevention payment for:

- living expenses
- rent in advance for new accommodation
- charges for board and lodging accommodation and hostels, but not deposits
- travel expenses when stranded away from home
- repaying emergency credit on a pre-payment fuel meter.

In the case of a disaster such as a fire or a flood, as well as the expenses already mentioned, a person may also be able to receive a prevention payment to meet other expenses, like replacing household items and clothing.

Rent in advance may only be met by way of a prevention payment if the applicant has been awarded a support payment to establish themselves in the community upon leaving residential or institutional care, or because they need to pay rent to avoid risk to the family following an emergency or disaster.

Repeat applications and minimum awards:

A prevention payment will not normally be awarded if the customer has applied for the same item or service within the previous 12 months unless circumstances have changed.

There is no minimum amount which can be awarded. The maximum amount that may be awarded will be decided taking into account the need itself, the applicant's circumstances and the availability of alternative sources of help.

Where an award is made in respect of living expenses, the amount awarded will be decided taking into account the members of the household and the length of time the award is to cover.

Applications to the Prevention Payment fund are limited to 3 in any 12 month period.

9. The Application Process: All Applications

Making an application for LSPF:

The application process will be clear, transparent and accessible, allowing customers to request support through a number of access channels.

In order to be considered for an award of LSPF, an application must be made to the Council using one of the following methods:

- Telephone application
- Hard copy application

The council also has a downloadable application form on its website on the following web page:

<http://www.shropshire.gov.uk/benefits/the-local-support-and-prevention-fund/>

The application and the process will be flexible to avoid undue delays and reflect that some awards require more detailed information. Turnaround times will be structured to ensure rapid high quality decision making. Applications for emergency assistance will be prioritised with service levels in place for agreed timescales for the decision making, payment of awards and a review process.

An application can be accepted from the person who requires the assistance or from someone acting on behalf of the person concerned where it appears reasonable to do so in the circumstances. It is anticipated that referrals will be made from local authority support services including other areas of the Benefits Service (including social care charges, education awards, Council Tax support and Housing Benefit) Housing Options, Adult and Children's Services, customer access channels and other appropriate outside agencies such as the Probation Service, housing associations and advice organisations.

Supporting Evidence Requirements:

Customers will be asked to provide supporting evidence in certain situations in order to support fully informed and fair decision making.

Situation	Evidence Required
Disaster (such as house fire, flood, gas explosion, chemical leak)	Fire Service or police report or incident number
Burglary	Police report or incident number
Lost or stolen money/wallets/purses/bags	Police report or incident number

Disability	Medical practitioner or support worker letter
Leaving Prison	Probation service letter/email
Leaving Care	Social services letter/email
Drug or alcohol issues	Medical practitioner or support worker letter
Suitable clothing for job interviews	Interview invitation letter
Floor covering, heating oil or removal costs	2-3 quotations

Corroborative supporting information may be sought from third parties such as housing providers or support workers where this is felt reasonable in order to confirm that alternative solutions have been considered. Failure to provide supporting evidence without good reason may lead to the application being unsuccessful.

Each application will be considered individually based on the evidence provided to support the application. We will however expect to act with consistency whilst using our discretion to provide support to the most vulnerable citizens in Shropshire.

We will ask the customer whether they have a support worker to help them and will speak to that support worker to gather further information to support the request for an award of LSPF. This will allow us to make fully informed decisions so that the decision we make a fair and reasonable decision for the customer, especially where there are mental health considerations.

Refusal to provide the necessary information for the team to make a decision will result in a refusal of award or as a withdrawal of application where there is loss of contact.

Treatment of income and expenditure:

The income of the whole household will be considered where appropriate when calculating awards. Where non-dependents make no contribution to the household, an amount equal to the weekly non-dependent deduction applied to any Housing Benefit claim will be assumed.

All incomes will be considered available including awards of Disability Living Allowance (DLA), Personal Independence Payments (PIP) and Attendance Allowance (AA) but in considering this income we will offset any direct expenditure with regard to adult care costs.

Declared expenditure will be subject to examination and where such expenditure is considered unreasonably high it will be allowed at a figure deemed reasonable in the circumstances.

Income and expenditure will be compared in accordance with the above provisions with the resulting figure determining whether the applicant possesses sufficient income to meet their needs.

Decision making:

Decisions on awards will take into account the applicant's circumstances and the need expressed. Where the applicant is found to have underlying issues that need to be addressed, the amount of time reasonably needed to do so will be taken into account. All supporting information, including that from third parties, will be used in arriving at the decision.

The wide variety of individual circumstances will mean a decision in one case does not constitute a precedent for others.

Where we are unable to make an award, we will explain the reasons for this in writing so that the applicant understands why. We will also provide suggestions for alternative support where these exist and will signpost applicants to various useful agencies. We will only provide an award from the LSPF scheme if there is no suitable alternative solution and if it is considered reasonable to make an award.

Where we can make an award, we will confirm the items we have awarded. When dealing with prevention awards for crisis support, awards will be conditional upon the applicant acting on a list of recommended actions that they must take to change their personal circumstances so they are more beneficial or to prevent them requiring further assistance from the LSPF scheme, especially for the same reason. We will expect them to take action on these recommendations as they will not be able to access further awards of LSPF.

Decisions will be made at the earliest opportunity and will be confirmed over the telephone (where possible) and followed up in writing. Examples of timescales are as follows:

Food, gas and electricity request made before 4.30pm	Same day
Food gas and electricity request made after 4.30	By lunchtime of the next available working day
Furniture and removal requests	Within 5 working days of the request
Floorcovering, oil and boiler awards	Within 3 working days of receiving quotes
Urgent furniture and removal requests	Within 24 hours or where requests are made on a Friday, by the end of the Monday (or Tuesday in the case of a bank holiday).
All other requests	Within 3 working days

10. Support into work

The Scheme will support the government's Welfare Reform agenda by signposting people towards work opportunities where possible. This can include:

- Signposting people towards appropriate skills-based support and other training
- Signposting people to appropriate specialists who can provide 'better-off in work' calculations or alternatively to self-help solutions
- Signposting people towards apprenticeship opportunities
- Providing people with clothing and travel for interviews where this cannot be provided by Jobcentre Plus
- Signposting people towards help with transport
- Providing people with temporary help towards fuel for transport to new employment if they have not been paid yet and this cannot be provided by another source.

11. Methods of Payment

The scheme provides appropriate methods of awarding support and allows the authority to decide to whom the award should be made based upon the individual circumstances of each customer.

Appropriate methods of payment may include:

- Food vouchers
- Electricity or gas vouchers
- Goods provided from local organisations including furniture schemes

The Local Support and Prevention Fund is not a cash payment scheme. Cash payments will only be considered in exceptional circumstances as a last resort where there are no other means of meeting the need. The delivery method of providing support will be flexible in how, when and where awards will be given to reflect the individual requirements of each application.

12. Monitoring Arrangements

The government has provided councils with a single budget figure for the provision of LSPF awards. The Council is required to monitor this budget throughout the year to ensure that awards are targeted to those most in need whilst ensuring the money available is sufficient to provide necessary support throughout the year. Monitoring expenditure is the responsibility of the Council's Welfare Reform and Support Team.

13. Appeals and Reconsiderations

Decisions made on applications to the Local Support and Prevention Fund do not carry the right of appeal to an independent tribunal. Where an application is unsuccessful, either

wholly or in part, the applicant may request a review which will be looked at within the Welfare Reform and Support Team.

The applicant or their authorised representative will have the right to request that the decision be reviewed. This request should be made in writing, within one month of when the decision was made.

Reasons for a review of a decision could include:

- Award or repeat award refused
- Method of payment
- Amount of award
- To whom payment is awarded.

The review process will have two stages:

Stage 1 In the first instance, any request for a review will be considered by someone other than the officer who made the original decision unless new evidence is provided, when the same officer can consider the request. All requests to review a decision from an applicant or their representative to be considered and notified within one month of the date of decision.

Stage 2 If the applicant is still not satisfied with the outcome of the review, they may request a further review within one month of the date of the review outcome. The process will seek to ensure that stage 2 reviews are considered by a senior officer taking into account all the information and evidence included in the review and the reasonableness of the decision made. The decision will be notified in writing.

14. Fraudulent claims

Failure to disclose a material fact or to make a false statement will be treated as a fraudulent application. Where fraud has been detected, the individual will be refused any further assistance and where appropriate, the council may prosecute.

We may recover the value of LSPF awards if we decide that the award has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise.

15. Changes in Circumstances

A person claiming an LSPF award is required to:

- Give the council such information as it may require

- Tell the council about any changes in circumstances that may be relevant to the application.

16. Repeat Award Requests

Where a repeat award is requested, the applicant's progress against any recommendations made at the time of the original award will be considered. Individuals are expected to manage their day to day finances and take steps to budget and manage their household income. We will provide advice and guidance to people by signposting them to suitable support regarding this.

We will not consider requests:

- Where advice has been ignored or not sought as advised
- Where a previous request was unsuccessful (unless there has been a change in household circumstances)
- Where the individual has not taken steps to remedy the situation
- Where the circumstances could have been avoided or were as a result of reckless or deliberate behaviour
- Where the individual has not co-operated with the Council or other public bodies

The above list is not exhaustive and consideration will be given to repeat applications on an individual basis.

17. Recovery of LSPF Awards

Payments made under the Local Support and Prevention Fund are not normally repayable however we may recover the value of any award if we decide that the award has been made as a result of misrepresentation of, or failure to disclose, a material fact, either fraudulently or otherwise.

18. Publicity

Shropshire Council publicises the Local Support and Prevention Fund scheme by promoting it via:

- The council's website,
- The council's hubs and customer service centres
- Local Registered Social Landlords
- The council's Housing Options Team
- Citizens Advice Shropshire

- Age UK
- A4U
- Local Landlord Forums
- Elected council Members

19. Policy review

As the scheme does not replicate any existing scheme, it is highly probable that changes to this document and the practical application of the scheme will need to be made throughout the year.

The policy will remain a working document and changes will be made as appropriate to ensure the service continues to meet the stated outcomes, objectives, needs of the local community and the council.

It is likely that this policy will change after the introduction of Universal Credit.

This page is intentionally left blank

Shropshire Equality and Social Inclusion Impact Assessment (ESIIA)

Local Welfare Provision – replacing the Social Fund

The Social Fund was introduced over two decades ago as part of the Fowler reforms of the Social Security system. The fund incorporated both statutory (Maternity and Funeral payments) and discretionary payments (Crisis Loans to avoid risk to health and safety, Budgeting Loans to spread the cost of paying for essential items that were difficult to budget for, and Community Care Grants to help establish the most vulnerable back into society or to prevent them from entering institutional care). These payments were administered using a broad framework of directions from the Secretary of State which gave basic rules after which, Decision Makers could use their discretion according to the facts of the application.

Administration of the social security system has changed significantly since the introduction with the increasingly remote administration making it more and more difficult to apply accurate discretion to customer applications.

The need for Local Authorities to take on local welfare support arose as a result of the government's decision to replace the old Social Fund system with a more locality based approach better able to focus on need in the local area and building on the programmes and services that were already in place so allowing the development of more efficient and joined up delivery models. Financial savings were envisaged via a more holistic approach that incorporated providers such as local furniture schemes and food banks as well as looking to advisory services and support structures as additions to, or alternatives to, cash help.

No statutory duty has been placed on Local Authorities for the delivery of local welfare provision.

Shropshire Council Part 1 ESIIA: initial screening and assessment

Name of service change

<p>Local Support and Prevention Fund</p>

<p>This is a new provision that will deliver local welfare funding on decommission of the national Social Fund Scheme from April 2013.</p>
--

Aims of the service change and description
--

<p>This is a new service provision that is designed to assist vulnerable people who may be in crisis and experiencing difficulty in meeting their immediate short term needs. Additionally, the scheme aims to assist in maintaining a vulnerable person independently within the community. The scheme seeks to utilise alternative avenues of funding and help where practicable by working with partner providers across the County. This helps to protect the remaining funds for customers in need.</p>
--

<p>Awards are discretionary and each customer is treated fairly and equitably with full consideration given to their circumstances. Robust guidance and procedures support fair and</p>

consistent decision making with consideration given to the nature, extent and urgency of the need in every application.

Intended audiences and target groups for the service change

Customers most likely to require this form of assistance may include (this list is not exhaustive):

- Families under exceptional pressure
- Homeless people or rough sleepers
- Vulnerable older people
- People fleeing domestic violence
- Young people leaving care
- People moving out of institutional or residential care
- Ex-offenders leaving prison or detention centres
- Chronically or terminally ill people
- People with alcohol or drug issues
- People with learning difficulties

Assistance to establish or maintain a new home in the community may be considered for customers who, for example (this list is not exhaustive):

- Have been in long term care
- Have left prison
- Have fled domestic violence
- Move to supported accommodation/independent living
- Need essential repairs to heating systems or modes of travel

Evidence used for screening of the service change

The following information was taken from analysis of the statistical data held by the Department for Work & Pensions on the usage of the national Social Fund scheme in 2009/2010, at the point where proposal for local delivery was consulted upon. The figures and resulting comments are attributed to the DWP.

Gender

Crisis Loans:

In 2009/10 58% of Crisis Loans administered by the DWP were made to single males, 34% made to single females and 8% made to couples. The majority of applications are made by unemployed recipients with the award rate reflecting the profile of customers claiming Jobseeker's allowance at the time.

Under the social fund system there were no differences between male and female success rates and no indication this would change if a similar assessment of eligibility is applied using a similar criterion in a locally-delivered system.

Table 1: Crisis Loan applications by gender Category	Number	% of total
Couple	292,960	8%
Single Female	1,182,720	34%
Single Male	2,018,430	58%
Total	3,494,110	100%

Community Care Grants

In 2009/10 49% of Community Care Grant final decisions made in respect to single females, 36% made in respect to single males and 15% made in respect to couples. The success rates for single females were higher (49%) than single males (42%) but lower than couples (53%). Single females who are more likely to be caring for children are advantaged by the current system. During the assessment stage higher number of women than men are seen as having sufficient needs to be awarded a Community Care Grant.

There is no evidence to suggest that this will change under a locally-delivered system using similar criteria.

Table 3: Community Care Grant applications by gender Category	Number	% of total
Couple	92,540	15%
Single Female	311,590	49%
Single Male	228,090	36%
Total	632,220	100%

Age

Crisis Loans

In 2009/10 a small proportion of Crisis Loans final decisions were made in respect of customers under 18 (3%) and over 45 (13%). The largest proportion (37%) of final decisions were made in respect of customers between 18 to 24 years old. Customers 65 and over also have lower success rates. Under the national scheme, younger and older people were disadvantaged. Anecdotal evidence suggests that there is reluctance from older citizens to apply for such help in the first instance. A more localised system, administered in collaboration with local partner services may encourage a more level rate of application across age ranges.

Crisis loan applications by age Age band	Number	% of total
Under 18	89,110	3%
18 to 24	1,283,090	37%
25 to 34	1,007,410	29%
35 to 44	655,930	19%
45 to 49	216,170	6%
50 to 54	129,410	4%
55 to 59	75,090	2%
60 to 64	23,700	1%
65 to 69	8,150	0%
70 to 79	5,280	0%
80 to 89	730	0%
90 and over	40	0%
Total	3,494,110	100%

Community Care Grants

In 2009/10 the lowest proportions for final award decisions were made in respect to those below the age of 18 and over the age of 45. However, success rates are higher for those customers aged 45 and over.

Older people are currently advantaged by the system in respect of higher success rates and this may improve through a locally-delivered service.

Table 7: Community Care Grants applications by age Age band	Number	% of total
Under 18	8,490	1%
18 to 24	152,250	24%
25 to 34	167,460	26%
35 to 44	133,970	21%
45 to 49	50,760	8%
50 to 54	36,570	6%
55 to 59	27,020	4%
60 to 64	21,490	3%
65 to 69	13,730	2%
70 to 79	15,600	2%
80 to 89	4,390	1%
90 and over	490	0%
Total	632,220	100%

Disability

Crisis Loans

In 2009/2010 31% of Crisis Loan final decisions were made in respect of disabled people.

There have been improvement in the number of disabled customers accessing Crisis Loans and there is no evidence to suggest that this will change in a locally-delivered system.

Crisis Loan applications by disability status	Number	% of total
Not disabled	2,334,300	66%
Disabled	1,096,270	31%
Not considered	5,650	0%
Unknown	76,690	2%
All	3,512,920	100

Community Care Grants

In 2009/10 33% of Community Care Grant final decisions were made in respect of disabled people.

Disabled customers are currently well served by the Community Care Grant system and there is no evidence to suggest that this will change in a locally-delivered system.

Table 11: Community Care Grants applications by disability Disability status	Number	% of total
Not disabled	358,890	57%
Disabled	210,620	33%
Not considered	4,850	1%
Unknown	59,560	9%

All	633,930	100%
-----	---------	------

Ethnicity

Crisis Loans

In 2009/10 79% of Crisis Loan final decisions are made in respect of white customers with some ethnic groups receiving less than 1% of the final decisions and this remains consistent with previous years. Overall success rates are slightly higher for white customers than other groups. We do not currently know why there are different success rate for customers from different ethnic groups. A locally-delivered system would be able to identify the most vulnerable people in their area and intervene based on a risk to health and safety which could address this issue.

Table 13: Crisis Loan applications by ethnicity Ethnic group	Number	% of total
White	2,777,560	79%
Mixed	69,020	2%
Asian or Asian British: Indian	19,790	1%
Asian or Asian British: Pakistani	31,230	1%
Asian or Asian British: Bangladeshi	9,740	0%
Asian or Asian British: Other Asian	9,830	0%
Black or Black British: Black Caribbean	78,920	2%
Black or Black British: Black African	61,830	2%
Black or Black British: Other Black	21,270	1%
Chinese or Other Ethnic Group: Chinese	1,040	0%
Chinese or Other Ethnic Group: Other Ethnic Group	30,050	1%
Prefer not to say	178,790	5%
Unknown	223,840	6%
All	3,512,920	100%

Community Care Grants

In 2009/10 65% Community Care Grant final decisions were made in respect of white customers with some ethnic groups receiving less than 1% of the final decisions and this remains consistent with previous years. However, there is a higher number of prefer not to say or unknown responses in this data set. Overall success rates are slightly higher for all ethnic minority customers (average of 46%) than white customers (average of 44%) and overall success rates have decreased at the same rate for ethnic minority and white customers from 2008/09 figures.

Customers from ethnic groups are currently well served by the Community Care Grant system and there is no evidence to suggest that this will change in a locally-delivered system.

Community Care Grant applications by ethnicity Ethnic group	Number	% of total
White	413,490	65%
Mixed	10,650	2%
Asian or Asian British: Indian	3,080	0%
Asian or Asian British: Pakistani	6,970	1%
Asian or Asian British: Bangladeshi	2,260	0%
Asian or Asian British: Other Asian	2,270	0%
Black or Black British: Black Caribbean	14,030	2%
Black or Black British: Black African	15,010	2%
Black or Black British: Other Black	3,760	1%
Chinese or Other Ethnic Group: Chinese	480	0%
Chinese or Other Ethnic Group: Other Ethnic Group	8,710	1%

Prefer not to say	32,830	5%
Unknown	120,400	19%
All	633,930	100%

Gender Reassignment

We do not envisage an adverse impact on these grounds.

Sexual orientation

We do not envisage an adverse impact on these grounds.

Religion or belief

We do not envisage an adverse impact on these grounds.

Marriage and Civil Partnership

We do not envisage an adverse impact on these grounds.

Pregnancy and maternity

We do not envisage an adverse impact on these grounds.

Comment on the above: There is no evidence at present to suggest either a positive or a negative impact on the above groupings. However, our consultation process may help to confirm or otherwise assess the impact not only for these but also on grounds of age, disability, ethnicity or gender, and on grounds of social inclusion

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

This policy was subject to full public consultation across a range of media and utilising a number of partner organisations that represent or work with more vulnerable groups. 10 replies were received, 4 from social sector housing providers, 4 from voluntary and community sector workers, one from a member of the public and one from a member of Shropshire Council staff. The replies broadly endorsed the policy.

Potential impact on Protected Characteristic groups and on social inclusion Initial assessment for each group

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

Protected Characteristic groups and other groups in Shropshire	High negative impact <i>Part Two</i>	High positive impact <i>Part One</i>	Medium positive or negative impact	Low positive or negative impact <i>Part One</i>
--	---	---	------------------------------------	--

	<i>ESIIA required</i>	<i>ESIIA required</i>	<i>Part One ESIIA required</i>	<i>ESIIA required</i>
Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)			✓	
Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)		✓		
Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				No adverse impact expected
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)			✓	
Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			✓	
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)			✓	
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				No adverse impact expected
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			✓	
Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				No adverse impact expected
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people you consider to be vulnerable)		✓		

Decision, review and monitoring

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

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

Actions to mitigate negative impact or enhance positive impact of the service change

Further strengthening and integration into partnership working arrangements conducted through the Welfare Reform strand and making positive use of third party suppliers where appropriate will ensure value for money solutions and longevity for this supportive scheme throughout the period in which benefit provision nationally will be subject to change.

Actions to review and monitor the impact of the service change

Following the full public consultation across a range of media, which also utilised a number of partner organisations that represent or work with more vulnerable groups, there will continue to be ongoing engagement with vulnerable households and across the Protected Characteristic groupings. The intention is that this will enable collection of local evidence about impact of the policy, including: any real or perceived barriers, such as methods in use for people to apply to the fund; the language used, e.g. use of plain English, e.g. options for interpreters where people's first language is not English; and effectiveness or otherwise of communication channels such as social media, and the role of local Shropshire Council councillors as community leaders in raising awareness of this policy."

Statistical data will be gathered via the Welfare Reform and Support Team inasmuch as system limitations allow. As applications are processed this will allow us to monitor the usage and effectiveness of both support and prevention payments in meeting need amongst citizens who may be more vulnerable to changes in the benefits system.

Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>	<i>Chris Westwood</i>	13 May 2015
<i>Any internal support</i>		
<i>Any external support</i>	<i>Lois Dale</i> Mrs Lois Dale, Principal Rural Policy Officer; ext 5684	17 June 2015

<i>Head of service</i>		
------------------------	--	--

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i> Chris Westwood, Customer Service & Welfare Reform Manager	<i>Chris Westwood</i>	13 May 2015
<i>Head of service's name</i> Rod Thomson, Director of Public Health		

Shropshire Council Part 2 ESIIA: full report

Guidance notes on how to carry out the full report

The decision that you are seeking to make, as a result of carrying out this full report, will take one of four routes:

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

The Part Two Full Report therefore starts with a forensic scrutiny of the evidence and consultation results considered during Part One Screening, and identification of gaps in data for people in any of the nine Protected Characteristic groups and people who may be at risk of social exclusion, eg rural communities. There may also be gaps identified to you independently of this process, from sources including the intended audiences and target groups themselves.

The forensic scrutiny stage enables you to assess:

- **Which gaps need to be filled right now, to help you to make a decision about the likely impact of the proposed service change?**

This could involve methods such as: one off service area focus groups; use of customer records; examination of data held elsewhere in the organisation, such as corporate customer complaints; and reference to data held by similar authorities or at national level from which reliable comparisons might be drawn, including via the Rural Services Network. Quantitative evidence could include data from NHS Foundation Trusts, community and voluntary sector bodies, and partnerships including the Local Enterprise Partnership and the Health and Well Being Board. Qualitative evidence could include commentary from stakeholders.

- **Which gaps could be filled within a timeframe that will enable you to monitor potential barriers and any positive or negative impacts on groups and individuals further along into the process?**

This could potentially be as part of wider corporate and partnership efforts to strengthen the evidence base on equalities. Examples would be: joint information sharing protocols about victims of hate crime incidents; the collection of data that will fill gaps across a number of service areas, eg needs of young people with learning disabilities as they progress through into independent living; and publicity awareness campaigns that encourage open feedback and suggestions from a variety of audiences.

Once you have identified your evidence gaps, and decided on the actions you will take right now and further into the process, please record your activity in the following boxes. Please extend the boxes as needed.

Evidence used for assessment of the service change: activity record

How did you carry out further research into the nine Protected Characteristic groups and those who may be at risk of social exclusion, about their current needs and aspirations and about the likely impacts and barriers that they face in day to day living?

And what did it tell you?

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

How did you carry out further specific consultation and engagement activity with the intended audiences and with other stakeholders who may be affected by the service change?

And what did it tell you?

Further and ongoing research and consultation with intended audiences and target groups for the service change: activity record

What further research, consultation and engagement activity do you think is required to help fill gaps in our understanding about the potential or known affect that this proposed service change may have on any of the ten groupings and on the intended audiences and target groups? This could be by your service area and/or at corporate and partnership level.

Full report assessment for each group

Please rate the impact as you now perceive it, by inserting a tick. Please give brief comments for each group, to give context to your decision, including what barriers these groups or individual may face.

Protected Characteristic groups and other groups in Shropshire	High negative impact	High positive impact	Medium positive or negative impact	Low positive or negative impact
Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg young person with disability)				
Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				
Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)				
Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)				
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people you consider to be vulnerable)				

ESIIA Full Report decision, review and monitoring

Summary of findings and analysis - ESIIA decision

You should now be in a position to record your decision. Please highlight in bold the route that you have decided to take.

1. To make changes to satisfy any concerns raised through the specific consultation and engagement process and through your further analysis of the evidence to hand;
2. To make changes that will remove or reduce the potential of the service change to adversely affect any of the Protected Characteristic groups and those who may be at risk of social exclusion;
3. To adopt the service change as it stands, with evidence to justify your decision even though it could adversely affect some groups;
4. To find alternative means to achieve the aims of the service change.

Please add any brief overall comments to explain your choice.

You will then need to create an action plan and attach it to this report, to set out what further activity is taking place or is programmed that will:

- *mitigate negative impact or enhance positive impact of the service change,*
- AND*
- *review and monitor the impact of the service change*

Please try to ensure that:

- *Your decision is based on the aims of the service change, the evidence collected, consultation and engagement results, relative merits of alternative approaches and compliance with legislation, and that records are kept;*
- *The action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.*

Scrutiny at Part Two full report stage

People involved	Signatures	Date
<i>Lead officer</i>		
<i>Any internal support</i>		
<i>Any external support</i>		
<i>Head of service</i>		

Sign off at Part Two full report stage

Signature (Lead Officer)	Signature (Head of Service)
Date:	Date:

Appendix: ESIIA Part Two Full Report: Guidance Notes on Action Plan

Please base your action plan on the evidence you find to support your decisions, and the challenges and opportunities you have identified. It could include arrangements for:

- continuing engagement and involvement with intended audiences, target groups and stakeholders;
- monitoring and evaluating the service change for its impact on different groups throughout the process and as the service change is carried out;
- ensuring that any pilot projects are evaluated and take account of issues described in the assessment, and that they are assessed to make sure they are having intended impact;
- ensuring that relevant colleagues are made aware of the assessment;
- disseminating information about the assessment to all relevant stakeholders who will be implementing the service change;
- strengthening the evidence base on equalities.

Please also consider:

- resource implications for in-house and external delivery of the service;
- arrangements for ensuring that external providers of the service are monitored for compliance with the Council's commitments to equality, diversity and social inclusion, and legal requirements including duties under the Equality Act 2010.

And finally, please also ensure that the action plan shows clear links to corporate actions the Council is taking to meet the general equality duty placed on us by the Equality Act 2010, to have due regard to the three equality aims in our decision making processes.

These are:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations

Note for 2014 refresh of our corporate equality impact assessment approach: Shropshire Council has referred to good practice elsewhere in refreshing the EINA material and replacing it with this ESIIA material. The Council is grateful in particular to Leicestershire County Council, for graciously allowing use to be made of their Equality and Human Rights Impact Assessments (EHRIs) material and associated documentation.

For further information on the use of ESIIAs: please contact your head of service or contact Mrs Lois Dale, Principal Rural Policy Officer and internal policy support on equality, via telephone 01743 255667, or email lois.dale@shropshire.gov.uk.

Appendix C

Local Support & Prevention Fund Policy: summary of consultation replies

Consultation was carried out using the online portal and by directly contacting partner organisations in the Voluntary and Community sector and social sector landlords.

The consultation period ran from 12 March to 23 April and during this time 10 replies were received.

Questions asked the respondent to rate their answer using a scale running from strongly agree to strongly disagree.

The consultation asked the following questions and received the following replies:

1 – Are you responding as someone who has made an application/someone who has helped someone else to apply/a community or voluntary organisation?

Two replies were received from Voluntary/Community Sector employees; four from Registered Social Landlords; One from a Shropshire Council employee and three from members of the public or people who have helped others to make applications.

2 - To what extent do you agree with the stated aims of the policy on page 4?

Eight respondents either agree or strongly agree and two neither agree nor disagree. Of the latter, one commented that the challenge built into the decision making process was unwelcome

3 - The policy aims to prioritise applications from those in most urgent need. Examples are listed on pages 7 and 8 of the draft policy. To what extent do you agree or disagree with the listed criteria.

Eight respondents agreed or strongly agreed, one disagreed and one neither agreed nor disagreed. The latter raised the issue of clarity around qualifying benefits or conditions resulting in the covering paragraphs of the policy being made clearer.

4 - Do you agree with the treatment of income, assets and expenditure as detailed within the draft policy?

Seven respondents agreed or strongly agreed, one disagreed and two neither agreed nor disagreed.

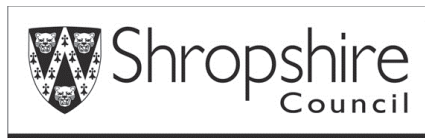
5 - Applications to the Local Support and Prevention Fund do not carry the right of appeal but there is a system for reconsidering decisions on pages 16 and 17 of the draft policy. To what extent do you agree or disagree with this?

Six respondents agreed or strongly agreed, three disagreed or strongly disagreed and one neither agreed nor disagreed. One respondent who disagreed commented that it would be preferable to

go straight to 2nd tier reconsideration, another suggested that fund should provide immediate assistance without challenge.

6 - If you have any specific comments about these proposals please provide them here, including any other special circumstances that you think we should consider providing payment for.

Some comments resulted in minor wording changes and corrections to the policy. One respondent disagreed with means testing the ability to meet need, one comment queried why no figures for the overall amount of the fund had been quoted.



Committee and date

Cabinet:
29 July 2015
12.30 pm

Item

14

Public

Responsible Officer Andy Evans, Head of Economic Growth and Prosperity
Email: Andrew.m.evans@shropshire.gov.uk Tel: 01743 252503

Place Plans Priorities and Community Infrastructure Levy 123 List update

1. Summary

The purpose of this report is to notify Cabinet of the annual review of the 18 Place Plans and LDF Implementation Plan and seek approval for the updated CIL Regulation 123 List. The report sets out the priorities identified to support new development within Shropshire and makes recommendations on the most appropriate delivery mechanisms through the targeted use of CIL and other developer contributions.

The publication of a CIL Regulation 123 List is one of the legislative requirements governing the use of developer contributions, as a means of identifying those infrastructure needs which will be delivered through the use of CIL. However, the Council, as Local Planning Authority, is not able to also negotiate a S106 obligation for anything included on the annual CIL 123 list. Conversely, items not included within the CIL 123 List may still be delivered through CIL funds. Therefore, it is important that the CIL 123 List does not limit the Council's ability to negotiate a S106 obligation where directly related and specific infrastructure needs are identified.

CIL income from new development can be spent on anything that constitutes "infrastructure" as defined by Regulation 216 of the 2008 Planning Act and the National CIL Regulations (as amended). This includes, but is not limited to, roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces.

The report seeks to clarify Shropshire's identified infrastructure requirements and the priorities considered essential to deliver sustainable development and support the scale of growth set out in the Local Plan. The cost of meeting all of Shropshire's infrastructure needs far exceeds the amounts available from developer contributions. The total amount of CIL collected from the date of introduction to the end of the last financial year (1 January 2012- 31 March 2015) is £2,424,322 which is split accordingly into the following funding pots:

Administration Fee	£121,216
Neighbourhood Fund	£265,607
Strategic CIL	£203,749
Local CIL	£1,833,749 (divided geographically into the areas where development has taken place)

When the CIL was introduced in Shropshire it was estimated that the CIL collected by this point would be around £4.8m. The amount collected is half that; reflecting the impact that changes to the CIL Regulations, including the introduction of self build relief, have had.

The annual Place Plan review involved inviting all Parish and Town Councils to consider their local infrastructure requirements in agreement with respective local Members. Alongside this, there has been ongoing engagement with infrastructure providers and internal Council departments to clarify strategic and long term infrastructure needs. Whilst the annual Place Plan review process provides a framework for prioritising local investment, there is a significant risk of a funding shortfall in meeting even the critical infrastructure requirements associated with new development. This is in addition to the needs prioritised by local communities as part of Shropshire's localised planning approach. The paper therefore recognises that difficult decisions will need to be made by Shropshire Council, as Local Planning Authority and the Accountable Body for developer contributions, and makes recommendations regarding the prioritisation of CIL funds to help ensure the delivery of critical infrastructure in fulfilment of the Council's statutory duties regarding new development.

2. Recommendations

- A. Cabinet notes the Place Plan annual review and approves the updated CIL Regulation 123 list for 2015/16 (Appendix A);
- B. That authority be delegated to the Head of Economic Growth and Prosperity in consultation with the Portfolio Holder for Regulatory Services, Housing and Commissioning (Central) to approve the final versions of the Place Plans and subsequent LDF Implementation Plan ahead of their publication;
- C. Cabinet endorses that priority be given to using CIL (Local) funds to deliver appropriate critical infrastructure, or infrastructure required in order to fulfil the Council's statutory functions.

REPORT

3. Risk Assessment and Opportunities Appraisal

Delivering sustainable development

- 3.1 As set out the National Planning Policy Framework (NPPF), the purpose of the planning system is to contribute to the achievement of sustainable development including the delivery of infrastructure. The majority of infrastructure requirements associated with development are intended to be delivered through Community Infrastructure Levy (CIL) funds. However, changes in the national CIL Regulations mean that CIL income is significantly less than initially forecast, due in part to the exemption of qualifying self build developments. Around £2.4m of CIL was collected in total from 1 January 2012 to 31 March 2015. This is half the £4.8m estimated would be collected by this point when the CIL Charging Schedule was adopted in 2011. As such, there is a high risk

of a funding shortfall in meeting even the critical infrastructure requirements associated with new development, in addition to the needs prioritised by local communities as part of Shropshire's localised planning approach. The funding shortfall poses an immediate and very significant risk to delivery of Shropshire's development strategy. Some infrastructure requirements are considered to be critical as they pose a constraint to development taking place. Other requirements are fundamental to ensuring that development supports the creation of sustainable places. Consequently, there are significant risks to Shropshire Council in not prioritising and delivering particular infrastructure items.

- 3.2 As a Local Planning Authority, Shropshire Council is responsible for ensuring development is sustainable. Alongside the requirements of the planning system, there are statutory duties placed on the Local Authority meaning Shropshire Council has a legal duty to provide certain types of infrastructure. For example the provision of sufficient primary and secondary schools is a requirement under the Education Act, 1996 (Section 14). Without careful consideration and management, the decisions made on the priority items of infrastructure, as identified in the Place Plans, could pose a risk either to the Local Planning Authority's ability to achieve sustainable development or Shropshire Council's ability to fulfil its other statutory duties. This risk is even more significant in light of current financial constraints, where both alternative sources of funding for delivery and the sums of money available are restricted.
- 3.3 It is therefore recommended that, where there are known competing local priorities, CIL (local) monies are focussed on delivering critical infrastructure items (where delivery is not the duty of statutory undertakers, or achieved through on site design or planning obligations) and development related infrastructure identified as being required to fulfil the statutory duties of the Council (such as school place provision), before consideration of funding competing local priorities identified in the Place Plans through CIL.
- 3.4 The completion of the CIL Technical Check Form will ensure that the infrastructure project that CIL is required to fund is justified by appropriate evidence and that all avenues of alternative funding have been examined in accordance with the CIL governance arrangements. This recommendation does not seek to alter the established 90/10 (local/strategic) split which ensures that the vast majority of CIL funds are spent in the settlement where development has taken place (see appendix C for a table showing how CIL is distributed). Nor would this change the Neighbourhood Fund element of CIL which is passed to Parish and Town Councils, who remain responsible for ensuring that this is spent appropriately.
- 3.5 There may be some instances where it will be necessary for the Local Planning Authority to prioritise the use of CIL funds for critical infrastructure, or infrastructure required to fulfil statutory duties on the back of new development, which is not recognised by the local community as a priority through their Place Plan. The approach follows the prioritisation of critical infrastructure set out in Core Strategy Policy CS9 and seeks to ensure development of sustainable places. Failure to use CIL income in this way may lead to unacceptable impacts on local facilities and services and potentially perpetuate funding shortfalls in

relation to the fulfilment of the Council's statutory obligations in specific places. In addressing development pressures, other identified infrastructure may need to be reprioritised resulting in those projects taking longer to deliver or needing alternative funding to support their implementation. Early and continuing dialogue between service managers, local Members and communities will therefore be important to ensure understanding of the infrastructure priorities generated by development and to prevent Shropshire's localised planning approach being undermined. This requires careful management with partners, including the local community, to manage expectations in relation to finite CIL funds.

- 3.6 Ensuring delivery requires a careful balance between different developer contributions (onsite design, S106 obligations and CIL) and other funding sources such as the New Homes Bonus and Marches Local Enterprise Partnership. Furthermore, certain legislative requirements apply which, without careful management, could pose a risk to the Council. Regulations require a clear distinction between how CIL and S106 obligations are used. The Local Planning Authority is not able to negotiate a S106 obligation for anything included on the annual CIL '123' list. In addition, the legislative requirements state that no more than five S106 obligations can be negotiated for the same project or type of infrastructure. The Local Planning Authority must demonstrate compliance with these legislative requirements and is increasingly monitored by the development industry wanting evidence of how their contributions are applied. To maximise the delivery of sustainable development, it is recommended that the Local Planning Authority ensures the updated CIL Regulation 123 list is again focused on known priorities within a place that could only be delivered fully or in part by CIL, thereby allowing site specific needs to be negotiated via a S106 obligation as and when this is considered to meet the relevant tests, which may only be identified at the point of a planning application. It is also important to note that, conversely, items not included within the CIL Regulation 123 List may still be delivered through CIL funds.
- 3.7 Cabinet decided on 24 July 2013 to endorse an approach to ensure adequate infrastructure for major housing developments over 50 dwellings. In July 2014 it also decided to delegate responsibility to the Head of Economic Growth and Prosperity in consultation with the Portfolio Holder for Planning, Housing and Commissioning to react to needs arising from development and allocate CIL monies to specific items not identified through the Place Plans through the planning application process. These mechanisms have enabled the Council to negotiate the best outcomes from developer contributions relating to major development sites in Shrewsbury. This co-ordinated approach has ensured that CIL revenues generated by these developments, in combination with on site design and directly related and specific S106 obligations, have been secured to ensure delivery of essential infrastructure (including school place provision, sustainable transport and highways improvement measures) to support the town's development strategy. Some current and future CIL strategic and local funds are therefore now committed to delivery of specific items in the town. This approach continues to be used as development proposals on major sites progress through the planning system.

Working with communities

- 3.8 Shropshire's localised planning approach means that a positive link has been made between development and its contribution to local community needs. The annual Place Plan review therefore places significant onus on Town and Parish Councils with their Local Member to identify and prioritise their own infrastructure requirements with the aim of establishing some local 'ownership' over planned development. The annual Place Plan conversation provides a mechanism to identify and prioritise all the investment needs within a locality and thereby offers a robust piece of evidence to drive change in local service delivery through improved partnership working between the public, private, voluntary and community sectors. In providing a prioritised set of agreed outcomes through collaborative working, the Place Plans are also important in managing expectations around delivery and in particular the use of CIL funds. A risk is the lack of engagement of Parish/Town Councils although the Place Plan annual review has become an established part of the Parish calendars and their engagement in the process is reflected in that over 100 Parish/Town Councils responded to this year's review. The continued role of LJsCs in promoting and co-ordinating consideration of local infrastructure delivery priorities (as agreed by Cabinet 30 July 2014) further mitigates the risk of any future lack of engagement in the Place Plan review.

4. Financial Implications

- 4.1 The role of the Place Plans and LDF Implementation Plan is to provide evidence on the known strategic and local infrastructure priorities and support the allocation and spend of CIL revenue. In this way the documents inform the content of the CIL Regulation 123 List, which identifies those infrastructure projects that will be funded through use of CIL.
- 4.2 As the CIL Charging Authority, Shropshire Council is responsible for applying CIL to infrastructure to support the development of the area. As such, Shropshire Council is required to manage CIL finances, in accordance with the legislative requirements, including accounting and auditing their use. Shropshire has taken a localised approach to the use of CIL, supporting the community focus within Shropshire's development strategy and recognising the important link between new development and local infrastructure (see Appendix B for a breakdown of how CIL is distributed). This approach has been further supported by Government, who require that a 'meaningful proportion' of CIL income be passed as a Neighbourhood Fund to the Parish or Town Council, in whose area the development has taken place.
- 4.3 The total amount of CIL collected from the date of introduction to the end of the last financial year (1 January 2012- 31 March 2015) is £2,424,322 which is split accordingly into the following funding pots:

Administration Fee	£121,216
Neighbourhood Fund	£265,607
Strategic CIL	£203,749

Local CIL £1,833,749 (divided geographically into the areas where development has taken place)

The total CIL collected from its introduction to 31 March 2015 is around half that estimated for the same period on adoption of the CIL Charging Schedule in 2011 (£4.8m). Additional CIL monies are anticipated from developments which have been granted planning permission although payments can only be requested on commencement of development which, alongside the payment instalment policy, makes it difficult to accurately forecast future CIL income. It should be noted that some anticipated CIL funds are ring fenced following the approach to negotiation with developers agreed by Cabinet on 24 July 2013 and 30 July 2014 (see para 3.7 above). Whilst the Place Plans provide information on the infrastructure priorities to which these funds will be applied, it is recognised that further feasibility and planning work is needed in order to fully develop projects which address the identified needs. This project planning work will develop more accurate costings for project delivery and will therefore identify the additional CIL funding which needs to be accrued or the likelihood of a significant funding gap which in turn will inform the coordination of funds.

- 4.4 CIL payments to date have therefore focused on the Neighbourhood Fund, which Shropshire Council has committed to providing annually, alongside the annual precept. The Neighbourhood Fund will grow in line with the increase in CIL revenue as it is directly linked to the overall amount raised. The breakdown of Neighbourhood Fund (for the period 1 Jan to 31 December 2014) allocated to Parish and Town Councils is set out in Appendix C.

5. Background

- 5.1 The 18 Place Plans and the LDF Implementation Plan set out and prioritise the infrastructure needs of Shropshire's market towns, key centres, Community Hubs and Clusters, and villages in the 'countryside'. They are central to the delivery of sustainable places and to the settlement strategies set out within the SAMDev Plan, providing local evidence to support investment activities, including the allocation and spend of CIL revenue. The Place Plans provide a place based list of all known infrastructure priorities identified through this year's review, alongside the recommended delivery mechanism for each identified item, which takes account of legislative requirements and the associated funding criteria. As 'live' documents there is an established annual review process for the Place Plans, which commences each September and culminates in the publication of updated Plans and the recommendations for the prioritised use of developer contributions set out within this paper.
- 5.2 As with previous year's reviews, a questionnaire and explanatory letter was sent to each Town and Parish Council in September 2014. This asked Town and Parish Councils to confirm whether the current Place Plan was a true reflection of local investment needs and whether the priorities for the use of CIL were still correct.
- 5.3 In total, responses were received from 116 of the 168 Parish and Town Councils in Shropshire. Whilst several councils re-affirmed their existing position, many others took the opportunity to re-prioritise or highlight new infrastructure needs. In addition, other councils indicated they were awaiting the

outcome of an updated community led plan. A further three responses were received from Local Joint Committees reflecting the enhanced role of LJsCs in the annual conversation around Place Plan priorities as agreed by Cabinet on 30 July 2014. Continuing local member involvement in this process remains critical to our understanding and appreciation of local issues, and to the success of future reviews of the Place Plans.

- 5.4 Responses naturally vary, depending on the particular needs within particular areas, but a number of infrastructure needs were frequently identified across the County, this included: traffic/highway improvements; improved broadband provision; improved community facilities/village halls; and additional sports and recreation facilities.
- 5.5 In addition to the established invitation to engage in the annual review a short 'feedback and challenge' period was held in June 2015 allowing Parish and Town Councils to view the infrastructure and investment priorities for their areas before finalisation of the place plans for 2015-16 to allow them to see how the changes they had requested were incorporated. In total 25 Parish and Town Councils responded by requesting further changes, amendments or raising queries. This ongoing engagement and consideration of infrastructure planning by Parish and Town Councils reflects the continued value of the Place Plan process to local communities.
- 5.6 In addition to gathering evidence on local investment priorities via Town and Parish Councils, the annual Place Plan review also includes annual conversations with local infrastructure and service providers. As such, collaborative working has been established and maintained with the water companies, Highways England, Environment Agency, Local Education Authority, local transport team and leisure and recreation team. This year's review coincided with the examination of the SAMDev Plan by the Planning Inspectorate. The relatively low number of changes to the Place Plans reflects that discussions with infrastructure and service providers about the scale and location of development in the SAMDev Plan were largely undertaken before it was submitted for examination and therefore the outcomes are largely continued from previous iterations of the Place Plans.
- 5.7 The publication of a CIL Regulation 123 List is one of the legislative requirements governing the use of developer contributions, as a means of identifying those infrastructure needs which will be delivered through the use of CIL. However, the inclusion of items on the CIL list restricts the ability for the Local Planning Authority to negotiate a S106 obligation where it is considered to be appropriate and meets with the relevant tests. As specific infrastructure requirements are often not known until the point of a planning application, it is important that the Local Planning Authority is able to negotiate a S106 where site specific infrastructure needs are identified. It is also important to note that items not included within the CIL Regulation 123 List may still be delivered through CIL funds. It is therefore recommended that the annual CIL list for 2015/16 remains focused on those strategic infrastructure projects which require long term commitment and those local projects considered to be deliverable through the use of CIL rather than S106 obligations.

5.8 Whilst the Place Plan review and annual CIL List is aimed at gaining widespread consensus on the use of CIL monies it is recognised that sometimes decisions will be required to determine the spend of CIL monies between competing priorities. It is therefore recommended that Cabinet agrees an approach which, where competing demands for the use of CIL monies are identified, preference is given to funding the infrastructure projects outlined in the Place Plans as being required to fulfil the statutory functions of the Council, and the delivery of critical infrastructure (where delivery is not the duty of statutory undertakers or planning obligations) ahead of using CIL monies on competing community priorities. This would not apply to the Neighbourhood Fund element. The risks and opportunities associated with this are set out in section 3.

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

- Community Infrastructure Levy Charging Schedule – Council, 24th November 2011
- Place Plan Review and Community Infrastructure Levy 123 List update – Cabinet, 24th July 2013
- Community infrastructure Levy (CIL) Governance Arrangements for Spend - Portfolio Holder Decision, 14th February 2014
- Delivering Place Plans – Prioritising Outcomes - Cabinet, 30 July 2014

Cabinet Member (Portfolio Holder)

Councillor Mal Price, Portfolio Holder for Regulatory Services, Housing and Commissioning (Central)

Local Member

All

Appendices

- A. Annual CIL '123' list (2015/16)
- B. Table showing how CIL payments are distributed
- C. Neighbourhood Fund allocated to Parish/Town Councils April 2015

APPENDIX A: Shropshire Council: Draft Community Infrastructure Levy (CIL) Regulation 123 List 2015/16

In accordance with the National CIL Regulations, Shropshire Council is required to publish a CIL Regulation 123 List identifying those infrastructure needs which will be delivered in full or in part through the use of CIL.

Where an infrastructure item is included within the CIL Regulation 123 List, in accordance within the National CIL Regulations (as amended), Section 106 Planning Obligations and Section 278 Highway Agreement (apart for where this agreement is drawn up by the Highways Agency) cannot also be used to secure this item. Whilst developers may be required to provide contributions to infrastructure through a variety of mechanisms, this restriction was introduced so that there is no duplication between the various types of developer contributions.

CIL income from new development can be spent on anything that constitutes "infrastructure" as defined by Regulation 216 of the 2008 Planning Act and the National CIL Regulations (as amended). This includes but is not limited to roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces.

Shropshire Council recognises that infrastructure needs vary from place to place and priorities vary over time in response to different development pressures. Shropshire's infrastructure requirements are therefore detailed within 18 separate Place Plans, each setting out the individual needs and priorities within each of Shropshire's communities. An annual process of review is well established for the Place Plans, which ensures widespread and continual engagement in identifying and prioritising Shropshire's infrastructure requirements both with the local community and local infrastructure and service providers. The Place Plans therefore provide a robust evidence base to assist in the targeted use of developer contributions as well as a mechanism for coordinating all available resources around an agreed set of priorities within a particular place.

The annual review of the Place Plans informs the CIL Regulation 123 List, thereby ensuring the infrastructure requirements to be delivered through CIL are informed by local evidence of need and based on robust local consultation. The CIL Regulation 123 List is annually signed off by Cabinet, following the process set out in the Core Strategy and its accompanying Developer Contributions Supplementary Planning Document and Code of Practice.

The CIL Regulation 123 List for 2015/16 reflects closely the views expressed through the annual review of the Place Plans, including changing local priorities, and are specific to the location identified in the table below. Changes to the CIL list for 2015/16 are based on the availability of external funding for infrastructure provision, such as Pinchpoint via the Highways Agency and funds

distributed via the LEP alongside alternative delivery mechanisms such as Shropshire's locality commissioning and the introduction of the Neighbourhood Fund. In addition, the developed nature of the SAMDev Plan (which is in the final stages of the examination with consultation on a series of proposed Main Modifications closing on 13 July 2015) means that there is increasing certainty on the infrastructure requirements associated with Shropshire's development strategy. However, it is important that the CIL list is targeted and therefore the below requirements include strategic projects requiring long term commitment and those locally identified priorities considered to be deliverable. However, to ensure transparency the Place Plans and LDF Implementation Plan set out all known infrastructure requirements alongside the most appropriate delivery mechanism and will be used to inform future updated to the Regulation 123 List as part of future annual reviews.

Shropshire Council: Draft Community Infrastructure Levy (CIL) Regulation 123 List 2014/15

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Shrewsbury	Upgrade of Churncote roundabout	CRITICAL	£4.5 million	£0.3million to consist of both strategic and local.	No	£4.2 million Local Enterprise Partnership (LEP) secured. Require CIL as match funding. Linked to Shrewsbury Sustainable Urban Extension (SUE) West.
Shrewsbury	Shrewsbury Town Centre Transport package	PRIORITY	£8 million	Local: £2million	No	£4 million of LEP funding secured. CIL funding required as part match-funding.
Craven Arms	Extension of Long Lane Industrial Estate	PRIORITY	£3.5million	£2.5million to consist of both strategic and local.	No	To include: <ul style="list-style-type: none"> Improved access to Railway Station. Improved access at Brook Road and Watling Street.
Albrighton	Additional access and car parking improvements at the station	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Whitchurch	Provision of a skate park/BMX track	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Broseley	Provision of additional burial land	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Much Wenlock	Provision of pedestrian crossing to facilitate access to town centre	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Much Wenlock	Provision of footpath around Station Road which is pushchair and wheelchair accessible	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Market Drayton	Upgrade pedestrian crossing at Frogmore Road	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Market Drayton	Upgrade pedestrian crossing at Adderley Road	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Bridgnorth	Provision of additional allotments	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Craven Arms	Provision of additional burial land	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Cleobury Mortimer	Provision of additional burial land	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Cleobury Mortimer	Improvements to play provision by the primary school	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Pontesbury	Provision of additional allotments	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Oswestry	Provision of additional burial land	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Oswestry	Provision of additional allotments	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Oswestry	Public realm enhancements in the town centre	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Ellesmere	Provision of additional burial land	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Ellesmere	Provision of a public swimming pool	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Ellesmere	Expansion of school car parking	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Highley	Provision of play equipment at Severn Centre	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Chirbury	New length of pavement from Monksfield to the football field	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Clee Hill	Provision of a pelican crossing in the High Street	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Clee Hill	Pelican crossing and road safety improvements by the school in Tenbury Wells	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Gobowen	Increased car parking provision at Gobowen station and centre	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Gobowen	Provision of a playing/sports field and sports pavilion	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Gobowen	Safety improvements to B5009/A5	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Gobowen	Provision of a footbridge across the railway	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Ruyton XI Tons	Provision of a new community centre/village hall	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Hinstock	Improved road layout to reduce speed in village centre	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Hinstock	Raised pedestrian crossing in front of school	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Hodnet	Pathway between Hodnet and Marchamley	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Woore	Footpath provision to connect Irelands Cross to Knighton along the B5026	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Woore	Footpath extension along A525 from Beech Avenue to Candle Lane	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Baschurch	Provision of land for allotments	PRIORITY	£30-36,000	£30-36,000	Yes- if current site is not deliverable	Identified community priority. Current provision through a short term lease which the parish council would like to purchase.
Nesscliffe	Provision of additional car parking adjacent to the school/The Crescent	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Nesscliffe	Pedestrian crossing on Holyhead Road	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Hanwood	Pedestrian crossing at Hanwood Bank	PRIORITY	£30,000	Local £30,000	No	Identified community priority which is considered to be of highest priority locally. Parish Council willing to discuss funding of a feasibility study up to £5,000.
Shawbury	Defined fitness area on the playing field	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Cockshutt	Crossing facility on A528	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Zebra crossing to improve safety of people travelling from the school/church to the Millennium Hall / playing areas.
Cockshutt	Speed management through the village	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Worthen,	Pavement from Worthen to	PRIORITY	To be	To be confirmed	No	Identified community priority. Project

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Brockton, Little Worthen, Little Brockton, Binweston. Leigh, Rowley, Aston Rogers and Aston Piggot	Brockton		confirmed			to be developed.
Acton Round, Aston Eyre, Monkhopton, Morville and Upton Cresset	Development of Morville playing field	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Selattyn, Upper/ Middle /Lower Hengoed and Pant Glas	Provision of additional burial ground Hengoed, Selattyn and Pant Glas	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Selattyn, Upper/ Middle /Lower Hengoed	Play area Selattyn and Hengoed	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
and Pant Glas						
Bicton village, Four crosses and Montford Bridge (part)	Grange Bank footpath widening	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Bicton village, Four crosses and Montford Bridge (part)	Development of the Millennium Green	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Dorrington, Stapleton and Condover	MUGA on Dorington Recreational Ground	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Longden, Hook a Gate Annscroft, Longden Common and Lower Common /Exfords Green	Foot/cycle path provision to link the cluster villages	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Silvington, Bromdon Loughton and Wheathill	Bus stop provision on Ludlow to Bridgnorth Road	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Silvington, Bromdon Loughton and Wheathill	Car park provision to rear of war memorial	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Prees and Prees Higher Heath	Additional recreation/play area in Prees	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Tilstock, Ash Magna/Ash Pava, Prees Heath, Ighfield and Caverhall	Pedestrian crossing outside Tilstock school	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Dudleston Heath/Elson	Car parking provision at St Marys Church	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Dudleston Heath/Elson	Additional burial land at St Marys Church	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Welshampton and Lyneal	Development of community car park	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
Wem Rural	Improvements to Edstaston Village Hall	PRIORITY	To be confirmed	To be confirmed	Yes	The Parish Council has agreed to include the Neighbourhood Fund within the element of CIL off-set by the payment in kind which secures suitable land for the provision of facilities at Edstaston Village Hall. Dependent on the value of the land, any additional cost will be borne by CIL Local (if available).
Snailbeach, Stiperstones, Pennerley, Tankerville, Black Hole Crews Nest And The Bog	Pavement from the Stiperstones Inn to the school.	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Adderley	Provision of a children's play area	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Stoke Heath	Provision of additional car parking at the school	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Stoke Heath	Footpath improvements	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Bletchley, Longford, Longslow and Moreton Saye	Provision of a children's play area	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Bletchley, Longford, Longslow	Improvements to village hall including solar panels	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

Location	Infrastructure Project	Level of priority	Indicative Total Cost	Required CIL Contribution	Potentially Suitable for Payment in Kind	Notes
and Moreton Say						
Knockin	Provision of play equipment on the village amenity area	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Knockin	Pedestrian crossing on Church Road to village facilities	PRIORITY	To be confirmed	To be confirmed	Yes	Identified community priority. Project to be developed.
Kinnerley	Road/pedestrian safety improvements in village centre	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Mapesbrook	Extension of footpath at either end of village	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Fitz Grafton and New Banks	Development of cycle path along the River Severn from Fitz village hall to Shrewsbury	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Fitz, Grafton and New Banks	Reinstatement of footpath from Fitz village hall to Church	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Weston Lullingfields	Footpath at Weston Lullingfields School	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Myddle and Harmer Hill	Speed control measures through the villages	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.
Upton Magna	Provision of car at St. Lucias school	PRIORITY	To be confirmed	To be confirmed	No	Identified community priority. Project to be developed.

This page is intentionally left blank

APPENDIX B.

Table showing how CIL payments are distributed

CIL Fund	Proportion of Total CIL Funds	Responsible Party	Geographical area for spend
Administrative fee	<ul style="list-style-type: none"> 5% of total 	Shropshire Council	To cover administrative expenses incurred with implementing and enforcing CIL
Neighbourhood Fund	<ul style="list-style-type: none"> 25% where there is a Neighbourhood Plan or Neighbourhood Development Order 15% where there is not a Neighbourhood Plan (capped at £100 per council tax dwelling) 	Town & Parish Councils	To use within the Town/Parish Council administrative area
And of the remainder:			
Strategic Infrastructure	<ul style="list-style-type: none"> 10% of remaining amount (after deducting the admin fee and Neighbourhood Fund) 	Shropshire Council with input from infrastructure providers	To use on strategic infrastructure priorities across Shropshire
Local Infrastructure	<ul style="list-style-type: none"> 90% of remaining amount (after deducting the admin fee and Neighbourhood Fund) 	Shropshire Council with input from Town and Parish Councils and infrastructure providers	To use on local infrastructure priorities to meet the needs of the area where the development has taken place, as identified within the Place Plans.

This page is intentionally left blank

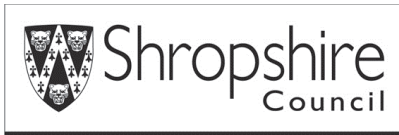
APPENDIX C.

Neighbourhood Fund payments to Parish/Town Councils (April 2015) covering the period 1 January to 31 December 2014

Parish/Town Council Area	Neighbourhood Fund allocated April 2015
Shrewsbury Town Council	£69,343.03
Shifnal Town Council	£44,309.33
Llanymynech and Pant Parish Council	£16,063.80
Bicton Parish Council	£8,266.72
Bomere Heath and District Parish Council	£7,831.35
Whitchurch Town Council	£7,368.39
Cleobury Mortimer Parish Council	£4,427.54
Bridgnorth Town Council	£3,506.33
Minsterley Parish Council	£2,533.00
Cardington Parish Council	£2,339.16
Baschurch Parish Council	£2,331.00
Bayston Hill Parish Council	£2,324.88
Alveley and Romsley Parish Council	£2,137.03
Whittington Parish Council	£2,055.42
Pontesbury Parish Council	£1,932.11
Kinnerley Parish Council	£1,921.64
Weston Rhyn Parish Council	£1,852.97
Upton Magna Parish Council	£1,771.31
Billingsley, Deuxhill, Glazeley and Middleton Scriven Parish Council	£1,611.55
Oswestry Rural Parish Council	£1,311.53
Caynham Parish Council	£1,245.53
Hopesay Parish Council	£1,244.46
Chetton Parish Council	£1,232.28
Myddle and Broughton Parish Council	£1,229.72
Ludlow Town Council	£1,212.97
Ightfield Parish Council	£1,150.00
Loppington Parish Council	£1,116.04
Farlow Parish Council	£1,012.91
Church Stretton Town Council	£973.00
Cheswardine Parish Council	£951.43
Ellesmere Town Council	£886.28
Ellesmere Rural Parish Council	£772.09
Albrighton Parish Council	£716.40
Oswestry Town Council	£712.48
Woore Parish Council	£667.73
Knockin Parish Council	£624.72
Much Wenlock Town Council	£589.17
Bitterley Parish Council	£588.69

Myndtown, Norbury, Ratlinghope and Wentnor Parish Council	£451.32
Stoke upon Tern Parish Council	£393.63
Market Drayton Town Council	£292.76
Sutton upon Tern Parish Council	£214.07
Ludford Parish Council	£202.18
Stanton Lacy Parish Council	£91.26
Wem Rural Parish Council	£86.52
Melverley Parish Council	£13.26

This page is intentionally left blank



<u>Cabinet</u>
29 th July 2015
12.30 pm

<u>Item</u>
15
<u>Public</u>

Delegation of the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council and recommendations for Broseley Youth Club

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

1. Summary

This report summarises progress with the local commissioning of youth activities, with specific reference to proposals to:

- Delegate the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council.
- Provide short-term match funding to enable the community to support the on-going development of youth activities within Broseley

Following the confirmation of a funding allocation to some Local Joint Committees (LJCs) based on local need, LJCs have been examining evidence of need, consulting with young people and stakeholders and have confirmed their local commissioning recommendations.

Following the recent completion of a six week formal consultation on youth commissioning proposals within areas of existing Council provided universal youth clubs it is planned to start new local arrangements for the delivery of youth activities from September 2015.

2. Recommendations

- A. That the responsibility for the function of commissioning and delivery of youth services within Shrewsbury is formally delegated to Shrewsbury Town Council in accordance with the Local Government Acts 1972 and 2000.
- B. That delegated authority is given to the Director of Commissioning in consultation with the Portfolio Holder for Children & Young People to enter into detailed discussion with Shrewsbury Town Council to agree and to complete all formalities to facilitate the service delegation of youth services in Shrewsbury from Shropshire Council.

- C. That a one off time limited sum of money, £1,500, is provided by the Council as match funding to support the transitional and ongoing delivery of youth activities within Broseley up to March 2017.

REPORT

1. Risk Assessment and Opportunities Appraisal

- 1.1 The Council has a duty to secure, so far as reasonably practical, equality of access for all young people to the positive, preventative and early help that they need to improve their wellbeing. The council must also take steps to gain the views of young people and to take them into account in making decisions about services and activities for them.
- 1.2 A risk management log is being maintained and kept under review for local youth commissioning. Looking forward the main risk to ongoing youth provision (from September) is an absence of potential providers able and willing to bid for opportunities. A further risk is that within the tight timescale is that those providers who are awarded grants / contracts are unable to mobilise to begin provision within September particularly in circumstances where they may need to recruit staff. In response to both risks we have been supporting potential providers to be ready to bid for opportunities and widely promoted potential opportunities over an extended period of time. Alongside this the Shropshire Youth Association (SYA) working with Energize continue to support the voluntary sector market to meet minimum provider requirements.
- 1.3 The approach outlined within this report to delegate the responsibility for the commissioning of youth services from the Council to Shrewsbury Town Council provides a positive opportunity to work with local communities to maximise the use of local assets – buildings, organisations, people and money – to achieve the greatest local benefit.
- 1.4 Time limited match funding support for youth provision within Broseley will encourage a sustainable approach to local provision to be developed and recognises the need for some transitional support from a position of the Council providing a weekly youth club to no direct support.
- 1.5 We have taken advice throughout the local commissioning process on child safeguarding and welfare matters and will be including the appropriate safeguards within any contractual arrangements.
- 1.6 An Equality and Social Inclusion Impact Assessment (ESIIA) has been developed, was made available as part of the formal consultation and will be kept under review. The ESIIA sets out in detail the context for service provision, the detailed consultation and engagement carried out with young people and the potential impact on target groups. Since it is both proposed to continue with provision in most areas of existing delivery and SYA / Energize are providing VCS organisations with proactive support

the adverse impact of the new way of working on young people will be minimised.

- 1.7 Principal authorities, within relevant powers within the Local Authority Act 2000 and Section 101 of the Local Government Act 1972, are permitted to allow Parish and Town Councils to discharge certain functions (i.e. services) on their behalf.
- 1.8 Parish and Town Councils have a wide range of existing powers to deliver services and in the majority of cases there is no legal bar to them taking on services or managing assets.
- 1.9 The Council agreed the medium term financial strategy which established the budgets for the new approach to supporting the provision of youth activities in February 2014. Approval was given by the Portfolio Holder responsible for youth services to modify the commissioning model in response to consultation and to procure infrastructure support service on 2nd July 2014. Approval was subsequently given by Cabinet on 10th December 2014 to confirm the funding allocation based on an analysis of need for individual LJC areas. Progress with the implementation of the approach has been scrutinised by the Children & Young People's Scrutiny Committee on 22nd October 2014 and 24th June 2015.

2. Financial implications

- 2.1 Approval was given by Cabinet on 10th December 2014 to confirm the £234,950 local commissioning funding allocation based on an analysis of need for individual LJC areas.

Specific needs funding has been allocated to 8 LJCs based on a funding formula derived from eight measures chosen to best reflect the outcomes sought by the Children's Trust. The eight measures used in the funding formula are:

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

- 2.2 One measure, the number of 10-19 year olds per square mile, was used to distinguish rural areas from market towns. This was used to determine a specific rurality contribution, allocated separately from the main element of the funding determined by the formula described above. Rurality funding has been allocated to 11 LJCs.

- 2.3 In total 18 LJC's (out of 23) received a delegated budget based on a funding formula that reflected local young people's needs supported by the evidence described above.
- 2.4 Broseley was the only LJC area where there is existing Shropshire Council delivery that did not receive any funding as a result of the needs assessment funding formula. However, in response to the consultation (see 7.0), it is recommended that a one off contribution of £1,500 grant is provided as match funding to help support local community based youth activity. This contribution will be funded from wider existing Locality Commissioning budgets.
- 2.5 The Shrewsbury LJC was awarded the highest needs funding, £81,500. Given the later than originally planned start to new provision (September 2015 rather than April 2015) and in order to contribute to interim Positive Activities staffing and direct delivery costs to July 2015, a pro-rata allocation of £47,540 has been made for 2015/16, in line with pro-rata allocations made for all LJC areas in receipt of specific needs funding.

Under the proposals outlined within this report the entire Shrewsbury LJC budget would be transferred to Shrewsbury Town Council within a formal delegation. The effective implementation of the approach should add value to the existing budget allowing Shrewsbury Town Council to align its financial resources and assets alongside the Council's in support of better outcomes for young people.

- 2.6 Funding is committed to the end of March 2017 with any further funding being subject to a review.

3.0 Background Information

- 3.1 The Council is accelerating its approach as a commissioning organisation and to supporting a way of working that puts local communities at its heart. The fundamental premise of locality commissioning is that when community organisations work collaboratively with public sector organisations they can achieve better outcomes for their communities. Organisations have resources – buildings, finance, people, and expertise – and by aligning these together it should be possible to use them more effectively to make a positive difference to people's lives within their communities.
- 3.2 Within the new commissioning model for youth activities Local Joint Committees, together with young people and supported by the Community Enablement Team, are responsible for making commissioning recommendations. LJC's have based their recommendations on a consideration of a local needs assessment, an understanding of existing youth provision, conversations (and formal consultation in areas of existing Council delivery) with young people and stakeholders, and their local knowledge. Community Enablement Team officers continue to

support LJCs with this work and will be responsible for procuring youth activity within the Councils' constitution and regulations.

4.0 Commissioning proposals for Shrewsbury

4.1 Shrewsbury Town Council members confirmed at a meeting of the Finance & General Purposes Committee on the 29th April 2015 that it wishes to explore the potential of the delegation of youth service provision in the Shrewsbury area, together with the devolvement of the budget identified as part of the Youth Commissioning process. Members feel that the Town Council is in a good position to provide youth services for the following reasons:

- It has over the years developed a strong working relationship with Shropshire Council based on a mutual respect, trust and confidence in our respective specialisms, duties and commitment to the same residents
- It has a good track record as a contractor/provider of services for Shropshire Council
- There are natural synergies in the type of public assets the Town Council provide and the users of those facilities many of which are likely to access youth services
- There is the potential to embed youth provision across other services so as not to create a silo attitude to the development of a service and embed a richness in that offer

4.2 The Shrewsbury LJC confirmed at their public meeting on the 18th May 2015 the following recommendations for the commissioning of youth activities:

To transfer of responsibilities for the delivery / commissioning of youth activities from Shropshire Council to Shrewsbury Town Council via a "formal delegation of responsibilities". Within this to provide:

- On-going support for provision of youth activities
- Specialist time limited targeted sessions
- Support for the establishment of a youth providers network

5.0 Consultation on commissioning proposals

5.1 A formal consultation on proposed youth activity commissioning intentions for areas with existing Council delivery was run for six weeks from 11th May. People were asked to comment on proposals for individual areas via an on-line survey and were given the opportunity to provide alternative ideas. Consultation was also undertaken directly within Council youth clubs with sessions often joined by council Members. The detailed outcomes of the consultation have been published on the Council's web site and can be viewed at <http://new.shropshire.gov.uk/get-involved/youth-activity-provision-in-shropshire/>

- 5.2 In response to the six week formal consultation on these proposals 35 responses were received, mostly in the 10-19 year old age bracket, (related to Shrewsbury) to the online survey. 29% agreed with the commissioning intentions and 71% did not. The majority of comments refer to the closure of the existing youth clubs (although this was not proposed within the recommendations) and disagreement with the local commissioning of youth activities. Almost no comment was made on proposals to transfer responsibility for youth activities to the Town Council although one respondent “applauded the Town Council’s plans to invest additional resources into youth provision”.
- 5.3 In addition to the online consultation discussions facilitated by Shropshire Youth Association have taken place with young people at Shropshire Council youth clubs – The Grange, Monkmoor, Sundorne and Meole Brace. Over 100 young people engaged and expressed their views on the proposals for their area. These sessions demonstrated strong connections between young people and their local youth clubs and youth workers and that there is some anxiety around potentially losing them. They have also shown a willingness amongst the young people to respond positively to new forms of provision and in some cases to attend clubs further away.

6.0 Proposals to delegate the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council

- 6.1 There are a number of potential advantages and some risks attached to the proposals to delegate the responsibility for the commissioning and delivery of youth services within Shrewsbury to Shrewsbury Town Council and these are summarised below:

Likely advantages	Potential risks
Service more responsive to local need	The Town Council may not have the necessary skills or capacity
Enhanced role for Shrewsbury Town Council within the town	Short term funding commitment from Shropshire Council may deter local innovation and investment
Potential for greater engagement from local community and stronger satisfaction with services	Potential for less of the budget going towards direct delivery
Development of synergies between the public assets held by the Town Council – recreational grounds, parks, play, etc. - and the users of those facilities many of which are likely to access youth services	
Enhanced potential to embed youth	

<p>provision across other services so as not to create a silo attitude to the development of the service</p> <p>Potential to augment funding from Shropshire Council and to improve service quality</p> <p>Potential to expand provision beyond existing areas of need based provision.</p>	
---	--

Potential risks will be mitigated by including appropriate provisions within contract arrangement, by ensuring regular dialogue with the town council and by providing them with support.

6.2 The Council has confirmed the following high level outcomes upon which detailed discussion with Shrewsbury Town Council will be based:

- Ensure all children and young people are safe and well looked after in a supportive environment
- Narrow the achievement gap in education & work
- Ensure the emotional wellbeing of children and young people by focussing on prevention and early intervention
- Keep more children healthy and reduce health inequalities

6.3 Both councils are keen to retain the existing level of interaction with young people who currently frequent the existing clubs that are run under the current arrangement, but going forward wish to see greater flexibility and a fresh approach to how youth services might be delivered. This includes, for example:

- Making use of assets already run and owned by the Town Council.
- Encouraging the sports clubs and associations who play from Town Council facilities to embrace a youth element and to provide opportunities for young people.
- Utilising Town Council public assets to provide opportunities for young people to volunteer, contribute to the management of their area and to gain valuable skills and work experience.
- Development of a Youth Forum to ensure that there is an holistic and coordinated approach to provision and that all opportunities are known to relevant young people

6.4 In taking these recommendations forward and mitigating some of the potential risks highlighted in 6.1 above the Town Council is committed to appointing an officer (fully qualified in Youth & Community Development with a wide experience of a variety of operating models) to manage youth service provision from the outset. The position will be part funded from Shrewsbury Town Council resources and Shropshire Council payments

and will be required to undertake some delivery of provision.

6.5 The delegation of youth service commissioning and delivery from Shropshire Council to Shrewsbury Town Council is felt to be a positive move as part of the overall approach to local commissioning. In summary we are proposing to delegate responsibility for the delivery of youth services within a Service Contract linked to a payment of an agreed sum and to meeting a Service Specification. Within this model the Council still retains the ultimate responsibility and accountability for the delivery of the service.

7.0 Commissioning proposals for Broseley

7.1 In response to the six week formal consultation on the proposals to cease provision of youth clubs within Broseley and to not allocate Broseley any funding going forward to commission youth activities 26 responses specific to Broseley (out of a total of 145) were received, mostly in the 30 to 59 year old age bracket (i.e. likely to be parents and guardians of young people attending the existing youth club) to the online survey. 8% of the Broseley respondents agreed with the commissioning intentions and 92% did not. The overwhelming majority disagree strongly with plans to cease Shropshire Council supported youth activity, with many people referencing the “unfairness” of the approach.

The above was echoed by young people consulted with within the existing youth clubs with 36 people both wanting the youth club and youth workers to remain.

7.2 In response to the consultation, and taking on board that it is a well-used club it is recommended that a transition grant of £1,500 is provided as match funding to help support local community based youth activity to get established. This also reflects the activity that is already happening in the local community to raise money from other sources. This funding will be limited from September 2015 through to March 2017 to reflect the current window of youth commissioning funding. The funding split between 2015/16 and 2016/17 can only be determined once detailed local proposals are made.

8.0 Community Asset Transfers

8.1 Shropshire Council owns youth centres across the County including Bridgnorth, Ludlow, Market Drayton, Oswestry, Shrewsbury (x3) and Whitchurch (all supporting current Council youth provision). All these centres have been listed as potential Community Asset Transfers,

8.2 Within Shrewsbury, the Council owns Monkmoor Youth Centre, The Grange Youth Centre and Sundorne Youth Centre. Expressions of Interest have been received in all cases (in some cases more than one). Interested parties have been invited to move to a Formal Expression of

Interest stage and subject to their proposals will then be asked to prepare full business plans.

There are a variety of different interests and it is too soon to confirm whether in all cases these will align with ongoing youth club provision or indeed that the current buildings necessarily provide the best fit with future provision.

In the short term the Council has made a commitment to continue to make available and to cover the running costs of all existing youth club buildings until March 2016 and of any potential venue hire costs until March 2017.

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

Changes to Youth Services, Young People's Scrutiny Committee, 30 April 2014
Future Commissioning and provision of youth activities, Portfolio Holder Decision, 2 July 2014
Update – Future Commissioning and Provision of youth activities, Children & Young People's Scrutiny Committee, 22 October 2014
Local Joint Committees – Update on youth commission and boundaries, Cabinet, 10 December 2014
Youth commissioning update, Young People's Scrutiny Committee, 24 June 2015

Cabinet Member:

Cllr Ann Hartley, Portfolio Holder for Children & Young People

Local Members:

Cllrs Peter Adams, Beverley Baker, Andrew Bannerman, Vernon Bushell, Dean Carroll, Anne Chebsey, Ted Clarke, Hannah Fraser, Miles Kenny, Jane MacKenzie, Pamela Moseley, Alan Mosley, Peter Nutting, Kath Owen, Mike Owen, Kevin Pardy, Malcolm Price, Keith Roberts, Jon Tandy, Mansel Williams

Cllr Jean Jones

Appendices:



<u>Committee and Date</u>
Cabinet
29 July 2015
12.30 pm

<u>Item</u>
16
<u>Public</u>

Regulation of Investigatory Powers Policy

Responsible Officer Frances Darling, Senior Commissioner – Business Support & Regulatory Services
 e-mail: frances.darling@shropshire.gov.uk Tel: 01743 251715

1. Summary

- 1.1 The Council’s current Regulation of Investigatory Powers Policy (adopted in August 2013) has been reviewed. It requires updating to reflect changes brought into effect through the Regulation of Investigatory Powers legislative framework and to take account of changes to Council personnel that have occurred over the previous two years. The opportunity has also been taken to improve the clarity of the policy where it has been appropriate to do so.
- 1.2 This report sets out the proposed policy.

2. Recommendation

- 2.1 That Cabinet agrees, with any necessary amendments, the proposed Regulation of Investigatory Powers Policy as detailed in **Appendix A**, and recommends to the Council that the policy is adopted with effect from 1 October 2015.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The preparation and publishing of a policy is not in itself a legal requirement. However, it is considered best working practice to have such a policy in place.
- 3.2 If the Council fails to prepare and publish a policy the Council will be open to criticism by the Office of the Surveillance Commissioners (OSC) and the Interception of Communications Commissioner’s Office (IOCCO). It will not have in place duly authorised/designated officers to undertake the roles required by the relevant legislation. It will be more difficult to respond to challenges about the way the Council has used investigatory techniques; this may lead to service complaints

to the Local Government Ombudsman, judicial review, evidence being held inadmissible in criminal legal proceedings that have been instituted by the Council and civil action being taken against the Council for acting in a way that is incompatible with a person's human rights. The reputation and professionalism of the Council would clearly be at risk.

- 3.3** Conversely, by preparing and publishing a policy, the Council will demonstrate that it takes the regulation of investigatory powers seriously, provides a defined framework within which the Council will exercise its responsibilities, makes it clear to all stakeholders the manner in which the Council intends to operate, ensures that the Council has sufficient appropriately authorised/designated officers and provides the basis for a robust defence to any challenges that may be made to the way in which investigatory techniques are used by the Council.
- 3.4** An Equalities Impact Needs Assessment has not been undertaken as the report does not concern the implementation of a new policy. The proposed policy is a refresh of the policy that was adopted by the Council in 2013 and is fundamentally based on the principles behind European human rights legislation and prescriptive UK legislative requirements. The proposed revised policy follows relevant guidance issued by the Home Office, the OSC and the IOCCO.
- 3.5** There is no anticipated environmental impact associated with the recommendations in this report.
- 3.6** The policy to which the recommendation relates is specifically aimed at ensuring that the Council's actions are not at variance with the Human Rights Act 1998 and consequently is unlikely to result in any adverse Human Rights Act implications. The recommendation is in line with relevant legislation and guidance issued by the Home Office, the OSC and the IOCCO.
- 3.7** Consultation was undertaken to support the development of the current Policy. Officers are satisfied that the proposed amendments to the current Policy are consequential rather than altering the fundamental principles upon which the policy is based; consequently, officers have concluded that further consultation would serve no practical purpose.

4. Financial Implications

- 4.1** There are no financial implications associated with the recommendation.

5. Background

- 5.1** The Regulation of Investigatory Powers Act 2000 (RIPA) is the law governing the use of covert techniques by public authorities and this includes local authorities. When public authorities use covert techniques they must do so in a way that is necessary, proportionate, and avoids (or where this is not possible minimises) the impact of the covert techniques on other people who are not the subject of the operation or investigation (collateral intrusion); thus ensuring that the covert techniques used are compatible with human rights. RIPA sets out authorisation procedures to help ensure that this compatibility is achieved.

- 5.2** To provide independent oversight in respect of the way in which investigatory techniques are utilised, RIPA has also put in place the OSC, the IOCCO and the Investigatory Powers Tribunal (IPT).
- 5.3** RIPA is supported by a number of Codes of Practice (the Codes) issued by the Secretary of State pursuant to Section 71 of RIPA. Local authorities must have regard to the provisions of the Codes but non-compliance does not of itself render any person, including the Council, liable to criminal or civil proceedings. The Codes are admissible as evidence in criminal and civil proceedings. If any provisions of the Codes appear relevant to any court or tribunal considering such proceedings, or to the IPT, the OSC or the IOCCO, they must be taken into account. Local authorities may also be required to justify, with regard to the Codes, the use or granting of authorisations in general or the failure to use or grant authorisations where appropriate.
- 5.4** RIPA applies to a number of covert techniques; however, the techniques that may be authorised by a local authority are restricted to:-
- conducting covert surveillance in public places (directed surveillance), such as watching, following or listening to people
 - the use of covert human intelligence sources (CHIS), such as obtaining information about people through informants or undercover officers
 - acquiring communications data: the 'who, when and where' of communications, such as a telephone billing and subscriber details
- 5.5** RIPA applies to a wide-range of investigations. For local authorities, it applies to investigations undertaken for the purposes of the prevention and detection of crime and the prevention of disorder.
- 5.6** Although RIPA provides for the authorisation of the covert techniques listed at paragraph 5.4 above, it is not unlawful not to seek an authorisation and there is no duty on a local authority to comply with the RIPA provisions; it is permissive law. However, the Codes make it clear that there is an expectation that local authorities will comply with the requirements of RIPA.
- 5.7** A public authority may only engage RIPA when performing its 'core functions'. The core functions (referred to by the IPT) are the specific public functions undertaken by a particular authority insofar as they relate to the grounds specified under RIPA; for local authorities these grounds are limited to preventing or detecting crime or preventing disorder, and is further restricted with respect to directed surveillance. This is in contrast to the 'ordinary functions' which are those undertaken by all authorities, e.g. those involving employment issues, contractual arrangements, etc. Covert techniques in relation to ordinary functions, or for any other general purposes, are conducted under other legislation and authorisations under RIPA would not be appropriate.
- 5.8** For the reasons set out in paragraph 5.7, where investigations are carried out for any purpose that falls outside the RIPA regime, e.g. for the purposes of investigating internal Council disciplinary matters or where the 'crime threshold'

(refer to paragraph 2.4 of the policy) is not met, the Council may still use the covert techniques described in RIPA. To ensure that the covert techniques used for these other purposes are still used in a manner that is compatible with human rights, the Council ought to have due regard to the principles of RIPA, the Codes published by the Home Office, and any relevant RIPA guidance and, in practice, apply these as if the purposes for which the techniques are being used do fall within the RIPA regime. For this purpose, these matters are also covered in the policy.

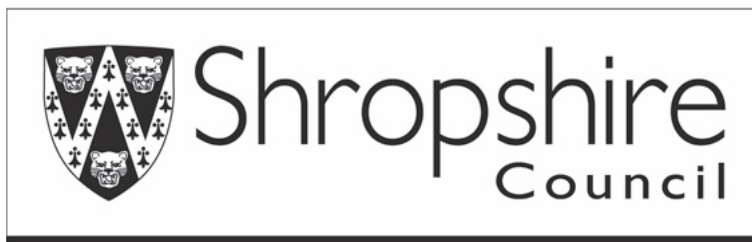
5.9 The relevant Codes issued by the Secretary of State pursuant to Section 71 of RIPA have been revised and reissued during the period since the current Policy was adopted by the Council in 2013. The revised Policy takes account of the changes contained within the Codes as well as updating officer details and/or responsibilities relating to:

- Senior Responsible Officer
- RIPA Co-ordinator
- Officers with delegated powers to grant authorisations under Sections 22, 28 and 29 of RIPA
- Officers with delegated powers to present RIPA cases to JPs under Section 223 of the Local Government Act 1972

6. Additional Information

6.1 It is considered best working practice that the policy is set annually by the Council's elected members and that they review the use of RIPA on a regular basis to ensure that it is being used consistently with the policy and that the policy remains fit for purpose. The mechanism to ensure this is undertaken is set out in the proposed policy.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) Shropshire Council's Regulation of Investigatory Powers Policy adopted on 1 August 2013 (http://shropshire.gov.uk/media/892168/RIPA-policy-Aug-2013.pdf)</p>
<p>Cabinet Member (Portfolio Holder) Cllr Malcolm Price</p>
<p>Local Member Not applicable</p>
<p>Appendices Appendix A – Proposed Regulation of Investigatory Powers Policy</p>



REGULATION OF INVESTIGATORY POWERS POLICY

**USE OF COVERT DIRECTED SURVEILLANCE
USE OF COVERT HUMAN INTELLIGENCE SOURCES
ACQUISITION OF COMMUNICATIONS DATA**

PROPOSED

Adopted by Shropshire Council on:

CONTENTS

	Page No.
PART A: Background	3
PART B: Policy Statement	5
PART C: Practical Guidance	8
APPENDIX 1: Designated officer roles	15
APPENDIX 2: Example risk assessment	18
APPENDIX 3: Forms to be used when undertaking covert techniques for purposes other than those specified under RIPA	24
APPENDIX 4: Forms to be used when applying for judicial approval	54

PART A : BACKGROUND

Part A sets out the background to the use of covert investigatory techniques by Shropshire Council ('the Council') under the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA).

1. Introduction

- 1.1 The primary aim of Central and Local Government enforcement work is to protect the individual, the environment and a variety of groups such as clients, consumers and workers. At the same time, carrying out enforcement functions in a fair, practical and consistent manner helps to grow and promote a prosperous and thriving national and local economy. The Council is committed to these aims and to maintaining a fair and safe society.
- 1.2 On occasions, in the course of enforcement work to ensure regulatory compliance, fulfil the Council's statutory duties and achieve predetermined outcomes, it may become necessary for the Council to undertake the use of covert investigatory techniques. RIPA sets out the regulatory framework to control the use of these techniques by public authorities. RIPA does not provide powers to carry out covert activities; it provides a defence against accusations of a breach of the Convention on Human Rights (ECHR) and regulates the conduct of Council officers who undertake such activities in a manner that ensures compatibility with the ECHR, particularly Article 8 that deals with the right to respect for private and family life.
- 1.3 RIPA specifically permits the Council to use three covert techniques for the purposes of preventing or detecting crime or preventing disorder. These are covert directed surveillance, the use of covert human intelligence sources (CHIS) and the acquisition of communications data.
- 1.4 However, RIPA does not prohibit the use of these techniques for purposes other than the prevention or detection of crime or preventing disorder. Consequently, the Council may legally use covert techniques for purposes other than those defined in RIPA. Where the techniques are used for non RIPA defined purposes, the Council shall have due regard to the principles of RIPA, the Codes published by the Home Office and its own RIPA guidance and, in practice, apply these as if the purposes for which the techniques are being used do fall within the RIPA regime.
- 1.5 Covert directed surveillance is undertaken in relation to a specific investigation or operation where the person or persons subject to the surveillance are unaware that it is or may be taking place. This may result in the Council obtaining private information about persons, which may or may not be for the purposes of the specific investigation. However, the Council cannot undertake covert surveillance in residential premises or private vehicles.
- 1.6 CHIS are undercover officers, public informants or, in some cases, people/officers who make test purchases. Such sources may be used by the

Council to obtain or pass on information about another person without their knowledge as a result of establishing or making use of an existing relationship. This clearly has implications for the invasion of a person's privacy and is an activity that is strictly regulated by the legislation.

- 1.7 The acquisition of communications data is where the Council acquires the who, when and where of communication but not the what, i.e. not the content of what was said or written. The Council may obtain service user information and subscriber information. This includes, for example, the type of communication, time sent, the duration and billing information such as the name, address and bank details of the subscriber of telephone and internet services.
- 1.8 These covert investigatory techniques play a necessary part in modern life. They are used not only to target criminals in order to prevent and detect crime and disorder but also as a means of protecting the public from harm.
- 1.9 The covert techniques controlled by RIPA form part of the duties of many law enforcement officers and other public bodies. Within the Council, service areas/functions that may undertake investigations include, but are not limited to, regulatory services, environment, education welfare, housing, social care, council tax, benefits, outdoor recreation and internal audit. All these service areas/functions may, at some point, need to utilise covert techniques as part of their official duties to effectively deliver service and Council outcomes.
- 1.10 For example, Council officers may need to covertly observe the activities of businesses and individuals and/or form covert relationships as part of their enforcement functions to verify the legality of the supply of goods or services including for the purposes of preventing and detecting underage sales of alcohol and/or tobacco. It may be necessary to obtain subscriber details for mobile phone numbers to track down individuals involved in consumer related doorstep crime. It may also be necessary to covertly observe the activities of individuals who are suspected of serious controlled waste offences or serious/serial council tax and benefit fraud or other serious crime or fraudulent activity such as theft of money or assets. Covert observation of Council employees may also be undertaken to verify compliance with employment contracts and for disciplinary purposes. During these and other types of investigations it may be necessary to record the activities of individuals using covert recording equipment.
- 1.11 To provide independent oversight in respect of the way in which investigatory techniques are utilised, RIPA has put in place the Office of Surveillance Commissioners (OSC), the Interception of Communications Commissioner's Office (IOCCO) and the Investigatory Powers Tribunal (IPT). This is because RIPA activities may give rise to interference with an individual's privacy and consequently the Council must consider its obligations under Article 8 of the ECHR.

PART B : POLICY STATEMENT

Part B sets out the policy adopted by the Council in respect of its use of covert investigatory techniques under the provisions of RIPA.

2. Policy Statement

- 2.1** This policy is intended to demonstrate that covert directed surveillance, CHIS and the acquisition of communications data will only be used to obtain information or evidence when no other investigation method or technique will deliver the required outcomes.
- 2.2** All residents and businesses within Shropshire will benefit from this policy as it provides the framework for the Council to effectively implement RIPA to ensure human rights are protected when enforcing criminal legislation; in particular, it sets out how the Council intends to limit intrusion into the personal activities of individuals. The policy assists the Council to identify and take action to reduce the level of crime in the community.
- 2.3** The Council shall not undertake any covert techniques referred to in Part A paragraph 1.3 ('covert techniques') of this policy without the prior authorisation from a trained senior officer who has the delegated power to grant such authorisation (i.e. a designated person under Sections 22, 28 and/or 29 of RIPA) **AND** where the covert techniques are used for the purposes of preventing or detecting crime or for preventing disorder an order approving the authorisation has been granted by a Justice of the Peace (JP)¹.
- 2.4** The Council shall authorise the use of covert directed surveillance under RIPA for the purpose of preventing or detecting crime only where the investigation relates to criminal offences that are punishable by a maximum term of at least six months imprisonment or are related to specified criminal offences for underage sales of alcohol or tobacco. This 'crime threshold' does not apply to the authorisation of a CHIS or to the acquisition of communications data.
- 2.5** The Council shall authorise the use of a CHIS or the acquisition of communications data for the purposes of preventing or detecting crime or of preventing disorder.
- 2.6** The Council may authorise the use of covert techniques for purposes other than those specified in RIPA.
- 2.7** Unless there are unequivocal and undeniably compelling reasons (having considered necessity, proportionality and the anticipated level of collateral intrusion) to authorise the use of covert techniques to investigate disorder that does not involve criminal offences or to investigate offences relating to littering, dog control, fly-posting or noise nuisance, the Council shall not authorise the use of any covert techniques to investigate such matters.

¹ Attention is drawn to the provisions of Statutory Instrument 2012 No. 2563 (L.9); the Magistrates' Courts (Regulation of Investigatory Powers) Rules 2012, where an application is not made in a criminal case.

- 2.8** In addition, authorising officers/designated persons must believe that the covert technique(s) is/are necessary and proportionate to what it/they seek(s) to achieve. In making this judgement, officers shall consider whether the information may be obtained using any other methods and also ensure sufficient steps are in place to reduce the impact of the covert techniques on other people who are not the subject of the operation or investigation (collateral intrusion). If authorising officers/designated persons do not believe that the covert technique(s) is/are necessary and proportionate to what it/they seek(s) to achieve or if other methods may be used to obtain the information or insufficient steps are in place to reduce collateral intrusion, officers shall not grant authorisation.
- 2.9** Authorisations shall, except in an emergency, be made in writing and contain the details required by the relevant sections of RIPA and the relevant associated Codes of Practice (the Codes)² issued by the Secretary of State pursuant to Section 71 of RIPA.
- 2.10** The Council cannot and shall not, under any circumstances, authorise 'intrusive surveillance', the acquisition of communications data referred to as 'traffic data', the interception of communications, the investigation of protected electronic information or property interference. Authorising officers/designated persons shall not grant authorisation to any officer to undertake these activities.
- 2.11** In addition, the Council shall ensure that:-
- a) there is a designated person ('the senior responsible officer') within the Council who has specific responsibility for the Council's enforcement activities under RIPA;
 - b) there is a designated person ('the RIPA co-ordinator') within the Council who has specific responsibility for drafting the Council's RIPA policy and practical guidance and holding, maintaining and updating the centrally retrievable record of all authorisations issued and any subsequent renewals, reviews and cancellations of those authorisations;
 - c) a suitable pool of officers are designated to present RIPA cases to JPs under Section 223 of the Local Government Act 1972;
 - d) corporate practical guidance is issued on the use of covert directed surveillance, the use of CHIS and the acquisition and disclosure of communications data;
 - e) all officers charged with the responsibility of being an authorised officer/designated person are appropriately supported and trained;

² Code of practice on the acquisition and disclosure of communications data (March 2015); Code of practice on covert surveillance and property interference (December 2014); Code of practice on the use of covert human intelligence sources (December 2014); and any subsequent revisions of these codes or new codes that may from time to time be issued

- f) all officers charged with the responsibility of conducting covert directed surveillance, using a CHIS or acquiring communications data are appropriately supported and trained; and
 - g) all officers dealing with complaints are aware that the Investigatory Powers Tribunal (IPT) has been introduced to examine complaints about the inappropriate use of covert investigatory techniques and the infringement of human rights that may result from inappropriate use.
- 2.12** Where investigations are carried out for any purpose that falls outside the RIPA regime, e.g. for the purposes of investigating internal Council disciplinary matters or where the 'crime threshold', as referred to in paragraph 2.4 above, is not met, the Council may still use the covert techniques described in RIPA. In such circumstances, judicial approval is not required.
- 2.13** To ensure that covert techniques used in line with paragraph 2.12 above are used in a manner that is compatible with the ECHR, the Council shall have due regard to the principles of RIPA, the Codes published by the Home Office, and its own RIPA guidance and, in practice, apply these as if the purposes for which the techniques are being used do fall within the RIPA regime.
- 2.14** When considering the authorisation of covert techniques, the facts of each investigation or operation involving the techniques shall be individually considered on their specific merits.

PART C : PRACTICAL GUIDANCE

Part C sets out the practical guidance that the Council requires all officers to follow when using any of the covert investigatory techniques controlled by RIPA.

3. Introduction

3.1 The purpose of this guidance is:-

- a) to explain beyond the policy statement, where necessary, the scope of RIPA and the circumstances where it applies in respect of Council activities;
- b) to provide additional general guidance where the Codes do not cover matters that the Council wants to provide guidance on or where specific matters would benefit from further emphasis; and
- c) to provide guidance on the judicial approval process.

3.2 The Council has had full regard to the Codes when preparing this guidance.

3.3 The content of the Codes has largely not been repeated in this guidance other than to emphasise a small number of specific issues. This is on the basis that all officers within the Council, when involved with covert directed surveillance, using a CHIS and/or acquiring communications data, are required to refer to, familiarise themselves with and follow the guidance provided in the appropriate and current Code(s). The Codes are admissible in evidence in any criminal and civil proceedings. They are available on the GOV.UK website (<https://www.gov.uk/government/collections/ripa-codes>).

4. Scope of RIPA

4.1 RIPA provides the statutory basis for local authorities and other organisations to authorise and use covert techniques. It was introduced to protect individuals' human rights whilst also ensuring that law enforcement and security agencies have the investigatory techniques they need to carry out their roles effectively.

4.2 The Council is included within the framework of RIPA with regard to the authorisation of covert directed surveillance, the use of CHIS and for the purposes of authorising the acquisition of communications data.

4.3 It is permissible to undertake these investigatory covert techniques only when relevant criteria are satisfied and the use of the techniques are authorised by an officer with delegated powers. Such authorisation gives lawful authority to carry out the covert techniques.

4.4 Obtaining authorisation helps to protect the Council and its officers from complaints of interference with the rights protected by Article 8 (1) of the ECHR which is now enshrined in English law through the Human Rights Act 1998. This is because the interference with the private life of citizens will be 'in accordance with the law'. In addition, the activities undertaken must also be

necessary and proportionate. Provided activities undertaken are in accordance with the law and a judgement has been made that they are necessary and proportionate they will not be in contravention of human rights legislation.

- 4.5** Only officers at Service Manager level or above may be given delegated powers to act as the Council's authorised officers/designated persons.
- 4.6** Only the Head of Paid Service (or any person acting on his/her behalf) has the power to authorise the use of a vulnerable individual or a juvenile as a CHIS. A person may only act on behalf of the Head of Paid Service in exceptional absence circumstances. The provision is not intended to allow ad hoc persons to grant such authorisations.
- 4.7** Routine patrols, observation at trouble 'hotspots', immediate response to events and the overt use of CCTV are all techniques that do not generally require authorisation. However, attention must be paid to the guidance provided in respect of these techniques in the relevant Code.

5. Additional general guidance

- 5.1** Council members shall set and/or agree continuance of this policy and the guidance, as appropriate. Where it is agreed by the Senior Responsible Officer (SRO), in consultation with the Portfolio Holder for Regulatory Services, Housing and Commissioning (Central), that RIPA is being used consistently within the policy and that the policy remains fit for purpose then the policy may continue to operate without wider consideration or revision by Council members. However, where there are any concerns about the manner in which RIPA is being used or that the policy is not fit for purpose, the SRO shall take appropriate steps to address these concerns, including revising the policy, in accordance with relevant Council procedures.
- 5.2** The use of RIPA by Council officers shall be reported to members of the Audit Committee on a regular basis and to the Council, as appropriate, to ensure that RIPA is being used consistently within the policy and that the policy remains fit for purpose.
- 5.3** Refer to **Appendix 1** for persons designated by the Council as:-
- the SRO
 - the RIPA Co-ordinator
 - officers with delegated powers to grant authorisations under Sections 22, 28 and 29 of RIPA (Note: officers are permitted to grant authorisations across the Council and are not restricted to granting authorisations within their specific service area but before being permitted to grant authorisations, they must have undergone appropriate RIPA training)
 - officers with delegated powers to present RIPA cases to JPs under Section 223 of the Local Government Act 1972 (Note: additional officers may be given such delegated powers, as required, in accordance with the Council's Scheme of Delegation)

- 5.4** Monitoring of authorisations may be undertaken by the SRO or by a suitably trained officer under the direction of the SRO. All Council officers shall provide such assistance as is required to enable effective monitoring to be undertaken.
- 5.5** The RIPA Co-ordinator is responsible for maintaining the Council's 'Central Register of Authorisations'. RIPA records shall be retained for a minimum period of 5 years. After the minimum retention period has expired, the RIPA Co-ordinator shall arrange for secure destruction of the records unless it is believed that the records may be relevant to pending or future legal proceedings, in which case they shall be retained for a suitable further period, commensurate with any subsequent review.
- 5.6** Deciding when authorisation is required involves making a judgement and doing so with the support of the guidance in the relevant Codes and any additional guidance that is made available. Where officers are in any doubt they shall seek the advice of an authorising officer/designated person. Where the authorising officer/designated person is in any doubt they shall seek advice from the Head of Legal and Democratic Services.
- 5.7** Only the Head of Paid Service (or any person acting on his/her behalf) and the Head of Legal and Democratic Services have the power to authorise directed surveillance involving any Council member. A person may only act on behalf of the Head of Paid Service in exceptional absence circumstances. The provision is not intended to allow ad hoc persons to grant such authorisations.
- 5.8** Appropriate risk assessments must be carried out before authorisations are granted. See **Appendix 2** for an example, but note this will not cover all aspects of the actual operation being authorised.
- 5.9** Unless renewed or cancelled, and providing they do not relate to urgent oral authorisations or written authorisations granted by a person who is permitted to act only in urgent cases, the duration of authorisations are:-

- Covert directed surveillance 3 months
- CHIS 12 months (1 month if CHIS under 18)
- Communications data 1 month from the date of JP's approval

NB The expiry time on all authorisations is always at 23:59, e.g. an authorisation granted on 1 April 2015 at 16:54 will expire on 30 June 2015 at 23.59.

- 5.10** Renewals shall be authorised and approved by a JP prior to the expiry of the original authorisations; but they run from the expiry date/time of the original authorisations. Authorisations may be renewed more than once if still considered necessary and proportionate and approved by a JP. Applications for renewals shall not be made until shortly before the original authorisation period is due to expire but officers shall take account of factors that may delay the renewal process such as intervening weekends and the availability of an authorising officer/designated person and a JP.

- 5.11** Authorising officers/designated persons shall set authorisation review dates at the outset of the process and ensure these are undertaken regularly.
- 5.12** A review of an authorisation is not the same as a renewal and authorising officers/designated persons are directed to paragraph 5.10 above and the relevant parts of each of the Codes to ensure the difference is fully understood and the principles correctly applied.
- 5.13** Authorising officers/designated persons shall formally and promptly cancel authorisations once the authorised covert activity has served its purpose or has become unnecessary or disproportionate.
- 5.14** In order to ensure that authorising officers/designated persons have sufficient information to make informed decisions, and to provide the OSC and the IOCCO with appropriate information, detailed records shall be made and retained by the Council.
- 5.15** To facilitate record keeping, the forms to be completed are those that are available on the GOV.UK website (<https://www.gov.uk/government/collections/ripa-forms--2>). For covert directed surveillance and CHIS the forms are entitled:-
- Covert Directed Surveillance
- Application for the use of directed surveillance
 - Renewal of directed surveillance
 - Cancellation of the use of directed surveillance
 - Review of the use of directed surveillance
- Covert Human Intelligence Sources
- Application for the use of Covert Human Intelligence Sources
 - Renewal of authorisation to use Covert Human Intelligence Sources
 - Cancellation of Covert Human Intelligence Sources
 - Reviewing the use of Covert Human Intelligence Sources
- 5.16** Where covert techniques are used for purposes other than those defined under RIPA and in accordance with paragraphs 2.12 and 2.13 above, the forms to be completed are those referred to in **Appendix 3**.
- 5.17** With respect to the acquisition of communications data, all applications shall be made electronically via the National Anti-Fraud Network (NAFN) website (www.nafn.gov.uk) and all associated records retained by NAFN. In addition, authorising officers/designated persons must provide the RIPA co-ordinator with sufficient details of the communications data authorisations to enable the details, as required by the relevant Code, to be entered onto the Council's 'Central Register of Authorisations'.
- 5.18** Where errors occur in respect of the acquisition of communications data, and they are not errors made by NAFN, these errors must be reported by an

authorising officer/designated person to the IOCCO using the appropriate form available on the GOV.UK website. The form is entitled:-

- Reporting an error by a public authority to the IOCCO

- 5.19** It is the responsibility of authorising officers/designated persons to ensure all **original** applications (including refusals) and associated renewals, reviews and cancellations are forwarded to the RIPA Co-ordinator. This does not apply to the acquisition and disclosure of communications data as the original records are retained by NAFN. However, sufficient details of communications data authorisations shall be forwarded to the RIPA Co-ordinator to enable the 'Central Register of Authorisations' to be completed.
- 5.20** Where the Codes refer to 'confidential material', any advice or guidance required in line with the provisions of the Codes shall be sought from the Head of Legal and Democratic Services.
- 5.21** Where investigatory activity is likely to involve both covert directed surveillance and the use of a CHIS, RIPA practice permits the two types of authorisations to be legally combined onto one form. However, it is the Council's practice for separate forms to be completed to maintain the distinction between the two techniques being used.
- 5.22** In cases of joint working where other agencies are involved on the same operation, authority for covert techniques shall be obtained from the Council's authorising officers/designated persons. Authorisation cannot be granted by the authorising officer/designated person of another agency for the actions of Council officers and vice versa.
- 5.23** All covert recording equipment shall be stored securely to prevent unauthorised use. A log must be created and maintained to record the date/time the equipment was removed from storage, by whom, for what purpose and the date/time it was returned to storage and by whom.
- 5.24** Where recording equipment is to be used covertly, this shall be specifically detailed in the relevant RIPA application to ensure the use of the equipment is properly authorised by an authorising officer/designated person.
- 5.25** All RIPA generated material shall be processed in accordance with Council guidance relating to data protection requirements, the handling, storage, retention and destruction of confidential material.
- 5.26** Where material is obtained through any activity covered in this guidance, which is wholly unrelated to a criminal or other investigation or to any person who is not the subject of the investigation, and there is no reason to believe it will be relevant to future criminal or civil proceedings, it must be destroyed immediately. The decision as to whether or not unrelated material should be destroyed is the responsibility of the relevant authorising officer/designated person.

5.27 Nothing in RIPA prevents material obtained through the proper use of the authorisation procedures on one investigation from being used in another investigation; however, the use outside the Council of any material obtained by means of the activities covered in this guidance and, other than in pursuance of the grounds on which it was obtained, shall only be authorised in the most exceptional circumstances.

5.28 Authorising officers/designated persons shall take account of any guidance³ issued by the OSC and IOCCO and properly promote and make it accessible to all relevant officers within the Council.

6. Judicial approval process

6.1 With regard to the judicial approval process for RIPA, all officers involved in the authorisation process shall familiarise themselves with the latest guidance available for local authorities in England and Wales as detailed in the Codes and published on the GOV.UK website (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118173/local-authority-england-wales.pdf) and follow the guidance contained therein.

6.2 The Council deems investigating officers, supported by authorising officers/designated persons, to be best able to answer any questions posed by JPs on the policy and practice of conducting covert operations as well as the detail of the actual cases under investigation. It is not necessary to use a solicitor to make the case to a JP.

6.3 Authorising officers/designated persons shall contact Her Majesty's Courts and Tribunals Service (HMCTS) administration team at the appropriate Magistrates' Court to arrange a hearing and investigating officers shall attend the hearing and where, required, be accompanied by authorising officers/designated persons.

6.4 The application and judicial order forms to be used for judicial approval are produced at **Appendix 4**.

6.5 For the purposes of the acquisition of communications data, the completed judicial order shall be provided to the NAFN Single Point of Contact (SPoC).

6.6 Where covert techniques are used for purposes other than those defined under RIPA and in accordance with paragraphs 2.12 and 2.13 above, there is no requirement to obtain judicial approval.

6.7 Further guidance and information is made available by the OSC and the IOCCO on their websites – refer to the links below. Officers shall ensure they consider and have regard to such information as appropriate.

³ OSC Procedures and Guidance – Oversight arrangements for covert surveillance and property interference conducted by public authorities and to the activities of relevant sources (December 2014); and any subsequent revision of this and any other guidance that may from time to time be issued

- <https://osc.independent.gov.uk/>
- <http://www.iocco-uk.info/>

PROPOSED

APPENDIX 1

1. **Senior Responsible Officer:** Paul McGreary, Head of Business Support and Regulatory Services
2. **RIPA co-ordinator:** Frances Darling, Senior Commissioner, Business Support and Regulatory Services
3. **Officers with delegated powers to grant authorisations under Sections 22, 28 and 29 of RIPA (subject to appropriate RIPA training):-**

Clive Wright, Head of Paid Service
 Claire Porter, Head of Legal and Democratic Services
 Paul McGreary, Head of Business Support and Regulatory Services
 Frances Darling, Senior Commissioner, Business Support and Regulatory Services
 Martin Key – Operations Manager, Environmental Protection and Resolution
 Karen Collier – Operations Manager, Health and Community Protection
 Ian Kilby – Operations Manager, Planning Services
 Philip Wilson, Service Delivery Manager – Business Support, Learning & Skills Group
 Timothy Sneddon, Operations Manager – Environmental Maintenance
 Tina Russell, Head of Safeguarding
 Christine Kerry, Team Manager - Education Access Service
 Philip Weir, Revenues & Benefits Service Manager
 Deborah Hughes, Shropshire Outdoor Partnerships Manager
 Ruth Houghton, Head of Social Care, Efficiency and Improvement

4. **Officers with delegated powers to present RIPA cases to JPs under Section 223 of the Local Government Act 1972:-**

Clive Wright, Head of Paid Service
 Claire Porter, Head of Legal and Democratic Services
 Paul McGreary, Head of Business Support and Regulatory Services
 Frances Darling, Senior Commissioner, Business Support and Regulatory Services
 Martin Key – Operations Manager, Environmental Protection and Resolution
 Karen Collier – Operations Manager, Health and Community Protection

Ian Kilby – Operations Manager, Planning Services
Phil Wilson, Service Delivery Manager – Business Support, Learning & Skills Group
Timothy Sneddon, Operations Manager – Environmental Maintenance
Grant Tunnadine, Investigation and Targeted Intervention Team Manager
Anthony Coffey, Public Protection Officer
Sally Jones, Public Protection Officer
Andrew Bishop, Public Protection Officer
Stacy Arnold, Public Protection Officer
Charlotte Smith, Public Protection Officer
Fiona Gee, Public Protection Officer
Mark Southern, Planning and Enforcement Officer
Melanie Durant, Planning and Enforcement Officer
Julian Beeston, Planning and Enforcement Officer
Tina Russell, Head of Safeguarding
Maria White, Service Manager Assessment and Early Help
Christine Kerry, Team Manager - Education Access Service
Lindsey Glover, Education Welfare Team Leader
Joanne Smith, Education Welfare Officer
Samantha Edwards, Education Access Officer
Jane Parsons, Education Welfare Officer
Philip Weir, Revenues & Benefits Service Manager
Jessica Taylor, Benefits Manager
Claire Penrose, Partnership Liaison Officer
Carmen Eccleston, Street Scene Manager
Paul Newns, Senior Visiting Officer
Ben Castree, Visiting Officer
Mary Edge, Visiting Officer
Deborah Hughes, Shropshire Outdoor Partnerships Manager
Shona Butter, Mapping and Enforcement Team Leader
Lucy McFarlane, Rights of Way Officer – Legal Orders and Enforcement
Emily Harrison, Rights of Way Officer – Legal Orders and Enforcement
Ruth Houghton, Head of Social Care, Efficiency and Improvement

5. Officers with delegated powers to grant authorisations for purposes other than those specified under RIPA (subject to appropriate RIPA training):-

All officers listed at 3 above.

James Walton – Head of Finance, Governance & Assurance

PROPOSED

APPENDIX 2

Regulation of Investigatory Powers Act 2000

Example risk assessment, guidance and equipment checklist

Note: All forms of surveillance should be carried out by properly trained or experienced officers – in particular only those that can demonstrate competency through training or experience in vehicle or other forms of mobile surveillance should carry out such activities.

Task/Description	Hazard/Risk	Preventative measures	Operation checks
<p>Covert Surveillance: General</p> <p>Guidance:</p> <ol style="list-style-type: none"> 1. Follow Regulation of Investigatory Powers Act 2000 procedures. 2. Always consider the safety of officers and the general public when carrying out any of the above activities. 3. If you feel that you have been recognised but the operation is not compromised then cease activities. If however there is any possibility that the operation may have been compromised, stand down the entire 	<p>The hazards faced by operatives are more often verbal rather than actual physical violence. However physical violence is always a danger particularly with more serious offences.</p>	<ol style="list-style-type: none"> 1. Always ensure you have the local Police office telephone number entered into your mobile phone. 2. Withdraw from confrontational situations if the Police are not present. 3. Where possible familiarise yourself with the location, target and any activities you are expecting to encounter. 4. Always ensure that your management are aware of your activities and when you expect to return. Report regularly at predetermined times to another officer. 	<ul style="list-style-type: none"> · Carry and use surveillance logs. · Ensure you and your witnesses have notebooks, credentials and pens with them. · Keep a schedule for reporting to the office or control. · Carry communications equipment

<p>team and reconsider the operation.</p>			
---	--	--	--

Task/Description	Hazard/Risk	Preventative measures	Operation checks
<p>Covert Surveillance: Static</p> <p>From fixed premises (e.g. a house or building)</p>	<p>Personal injury:</p> <ol style="list-style-type: none"> 1. From possible attack by individuals if discovered. 2. En route to or from or at premises 3. Condition of premises – poorly lit or dangerous or from structural or electrical faults 4. Slips, trips and falls especially in old disused premises and on stairs <p>Note: Attack can be from individuals under surveillance, their associates or from members of the public. Members of the public will be unaware of your purpose and are likely to be sympathetic towards the target.</p>	<ol style="list-style-type: none"> 1. Familiarise yourself with the area and identify all access and escape routes – do not use same route every time 2. Never work on your own and have team members close by with a view of the premises to alert of any danger 3. Follow established techniques for surveillance or adapt as necessary to suit local conditions. 4. Keep doors and access to the building locked from the inside. 5. Ensure you have adequate communication (e.g. radio and/or mobile phone - important to ensure you can contact the police from your chosen communications equipment). 6. Ensure communications equipment can transmit and receive from premises - during the operation carry out a periodic communication check. 7. Report regularly to a contact outwith the premises. 8. Ensure equipment is suitable – use covert radios if noise will be a problem; mute all phone tones and rings. 9. Pre-alert the Police if you feel they might be needed and have a contact number for them. 	<ul style="list-style-type: none"> · Brief all participants on locations and operational details. · Ensure all personnel know their positions and that of other colleagues. · <i>Ensure you know how to operate the equipment correctly</i> · Check all batteries are charged and take back-up batteries if possible. · Make sure you have sufficient media (e.g. tape/ film). · Complete a ‘dry run’ beforehand if required.- check if premises have power(saves batteries) and check condition of premises for security and

		<p>10. Be aware that any form of noise (including toilets flushing) from 'disused' premise may alert others to your presence and compromise the operation.</p> <p>11. Leave premises as you find them. Do not leave any signs that you have been there.</p> <p>12. Use furnished premises if possible as less noise is transmitted if the property has floor coverings.</p>	<p>comfort and identify any potential dangers</p> <ul style="list-style-type: none"> • Ensure all communications equipment is working and establish alternative communications in poor reception areas • Ensure comfort break facilities are available and note that different genders have different requirements.
--	--	---	---

Task/Description	Hazard/Risk	Preventative measures	Operation checks
<p>Covert Surveillance: Static</p> <p>From a vehicle (e.g. surveillance van)</p>	<p>Discovery of operative leading to violence.</p> <p>Fear of discovery and isolation (This may be applicable to all forms of surveillance.)</p> <p>Road accident</p> <p>Increased potential for discovery from noise levels or movement within the vehicle</p>	<p>In addition to the measures above:</p> <ol style="list-style-type: none"> 1. Ensure the vehicle has enough fuel and is adequately ventilated 2. Follow established techniques for surveillance or adapt as necessary to suit local conditions. 3. Ensure the vehicle does not cause an obstruction on the road; do not park in a poorly lit or dangerous location. 4. Keep all doors locked during operation. 5. The driver should be seen to walk away from vehicle but should be close by if required. 6. Ensure team members have view of vehicle to advise of any potential dangers 	<p>In addition to above:</p> <ul style="list-style-type: none"> • Ensure provision is made for comfort breaks. • Ensure that windows are clean if being used for filming or general viewing prior to use.

		<p>7. Consider whether Police should be aware of your location and purpose.</p> <p>8. Ensure vehicle is prepared for surveillance e.g. one way glass, screens or blacked out windows.</p> <p>9. If overt surveillance from a car, do not park the car near a school or in a residential area for long periods of time.</p> <p>10. If overt surveillance from a car, less attention is drawn to a lone occupant in the passenger or rear seat although escape becomes more difficult.</p> <p>11. Where possible leave the vehicle unattended with surveillance equipment operating.</p>	
--	--	--	--

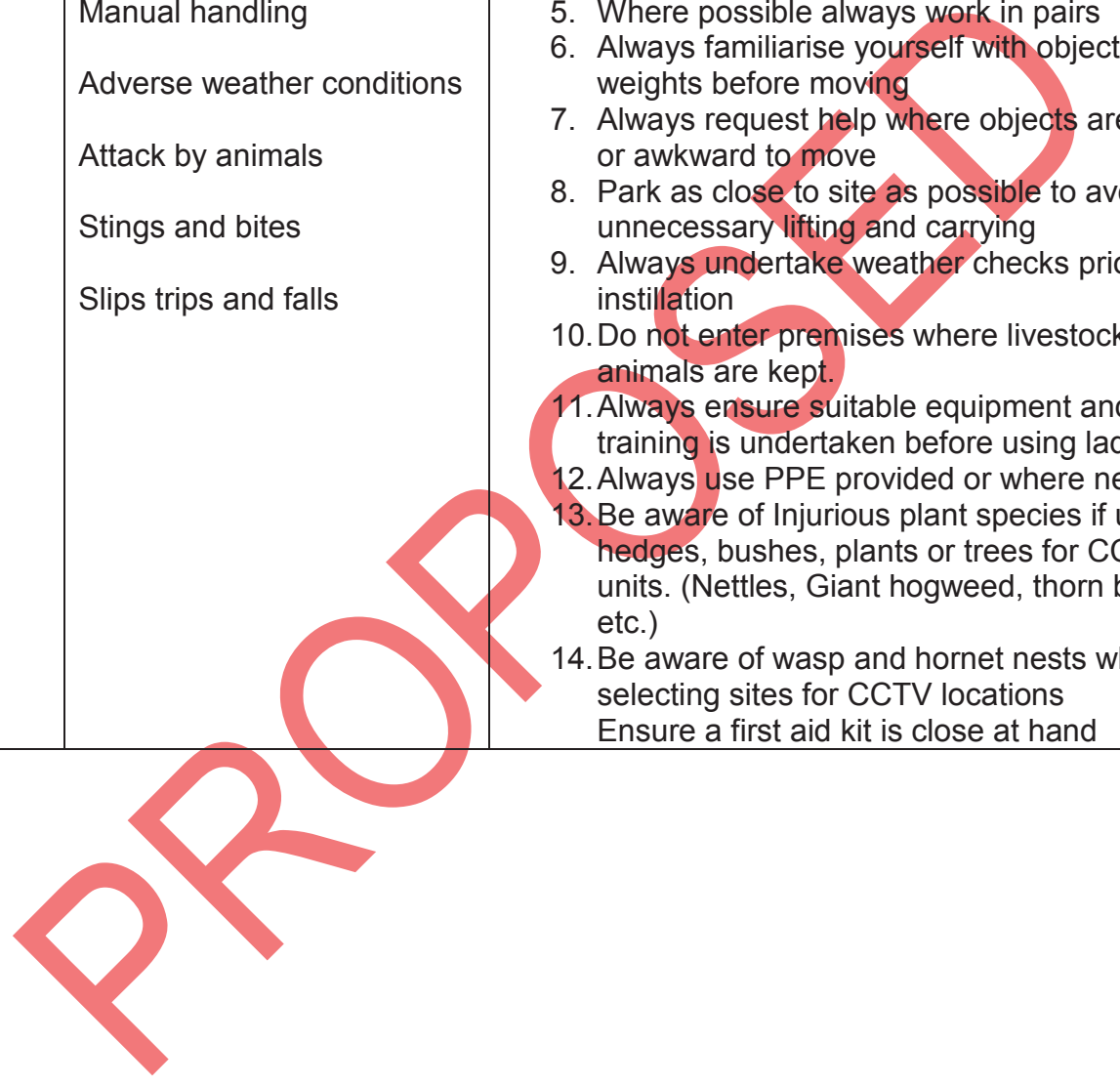
Task/Description	Hazard/Risk	Preventative measures	Operation checks
<p>Covert Surveillance: Mobile</p> <p>From a moving vehicle</p>	<p>Attack:</p> <ol style="list-style-type: none"> 1. Personal attack (road rage) 2. Intentional collision by person under investigation. <p>Road accident:</p> <p>Risk is increased due to style of driving required to carry out this type of 'follow'</p> <p>Remember! RTA – no protection against prosecution for driving without due care and</p>	<p>This should not normally be under taken unless officer has appropriate training and is working in a team of similarly experienced officers. There is a major risk to individuals as well as other road users and members of the public including pedestrians.</p> <ol style="list-style-type: none"> 1. As many vehicles as required should be used from those available. 2. Ensure car is properly maintained and fit for the road 3. Ensure the car has enough fuel, preferably a full tank of petrol. 4. Avoid using a distinctive car that could be identified. Consider using a hired car. 5. Be careful not to be followed into enclosed areas or dead ends and try to keep within view of another officer at all times. 6. Make suitable arrangements for communications 	<p>In addition to above:</p> <ul style="list-style-type: none"> · Have roadmaps of area and any areas you may be likely to visit · Be aware of position and deployment of other vehicles in the operation · If using hired car check that insurance is adequate and familiarise yourself with all controls and the performance of the car.

	<p>attention, careless driving or dangerous driving. Insurance may not pay for any accident whilst you are engaged in such activities.</p> <p>Roadworks & other obstacles</p> <p>Pedestrians and children</p>	<p>7. Have a plausible story ready as to why you are there if challenged or engaged in conversation.</p> <p>8. Be aware of your environment – not just the target.</p>	<ul style="list-style-type: none"> Carry disposable camera for record of any collision or damage
--	---	--	---

Task/Description	Hazard/Risk	Preventative measures	Operation checks
Covert Surveillance: On foot	<p>Confrontation with target</p> <p>Other members of target gang challenging and cutting off retreat route</p> <p>Physical violence from both human and animal</p> <p>Challenge from members of the public</p>	<ol style="list-style-type: none"> Work in a team. Have a plausible story as to why you are there and who you are, if challenged or engaged in conversation. Avoid eye contact with target Be careful not to be followed into enclosed areas or dead ends and try to keep within view of another officer at all times. Have a plausible story ready as to why you are there if challenged or engaged in conversation. Survey the area if possible and make a note of local pitfalls and facilities 	<p>In addition to above: Wear appropriate footwear/clothing – have change of clothing available from team member/support vehicle</p> <ul style="list-style-type: none"> Have sufficient loose change for fares etc

Task/Description	Hazard/Risk	Preventative measures	Operation checks
Covert surveillance: Illegal waste disposal sites.	<p>Detection on instillation by third party</p> <p>Violence and aggression</p>	<ol style="list-style-type: none"> Always ensure pre reconnaissance check is undertaken prior to instillation of cctv units. Abort instillation if detection is expected. Request road closures where applicable 	<p>Prepare Site plans of areas</p>

	<p>Manual handling</p> <p>Adverse weather conditions</p> <p>Attack by animals</p> <p>Stings and bites</p> <p>Slips trips and falls</p>	<ol style="list-style-type: none"> 4. Always leave the scene if confronted 5. Where possible always work in pairs 6. Always familiarise yourself with object weights before moving 7. Always request help where objects are heavy or awkward to move 8. Park as close to site as possible to avoid unnecessary lifting and carrying 9. Always undertake weather checks prior to installation 10. Do not enter premises where livestock / animals are kept. 11. Always ensure suitable equipment and training is undertaken before using ladders. 12. Always use PPE provided or where needed 13. Be aware of Injurious plant species if utilising hedges, bushes, plants or trees for CCTV units. (Nettles, Giant hogweed, thorn bushes, etc.) 14. Be aware of wasp and hornet nests when selecting sites for CCTV locations <p>Ensure a first aid kit is close at hand</p>	<p>Advanced weather forecasts</p> <p>PPE</p> <p>First aid kit provision</p>
--	--	--	---



APPENDIX 3

Forms to be used when undertaking covert techniques for purposes other than those specified under RIPA

Covert Directed Surveillance

1. Application for a directed surveillance authorisation
2. Renewal of a directed surveillance authorisation
3. Cancellation of a directed surveillance authorisation
4. Review of the a directed surveillance authorisation

Covert Human Intelligence Sources

5. Application for a Covert Human Intelligence Sources Authorisation
6. Renewal of a Covert Human Intelligence Sources Authorisation
7. Cancellation of a Covert Human Intelligence Sources Authorisation
8. Review of a Covert Human Intelligence Sources Authorisation

Acquisition of communication data

9. Accredited SPoC Notifying IOCCO of a Reportable Error

PROPOSED

1



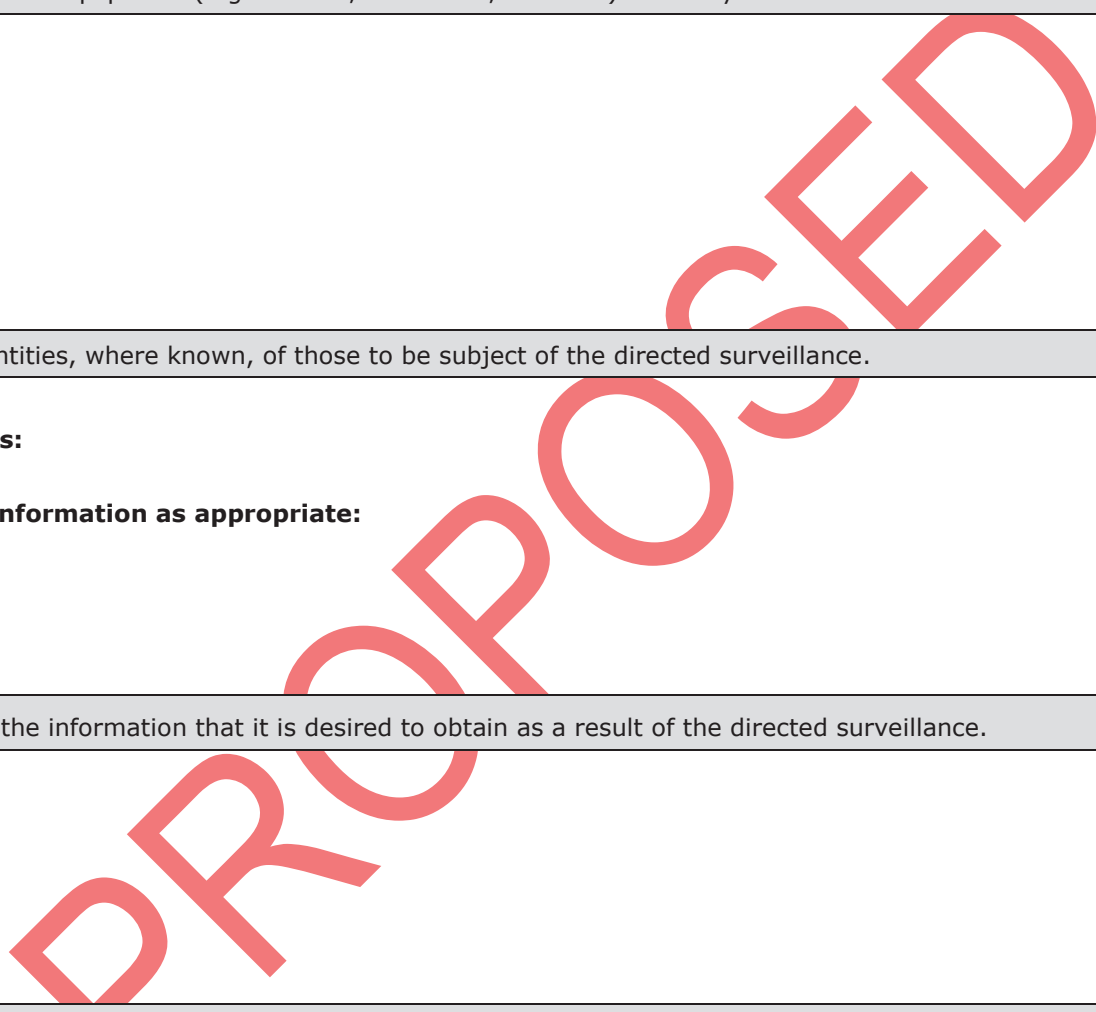
European Convention on Human Rights / Human Rights Act 1998 Application for a Directed Surveillance Authorisation

Public Authority <i>(including full address)</i>			
Name of Applicant		Unit/Branch/Division	
Full Address			
Contact Details			
Investigation/Operation Name (if applicable)			
Investigating Officer (if a person other than the applicant)			

PROPOSED

DETAILS OF APPLICATION
1. Give rank or position of authorising officer in accordance with the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 No. 521. (For local authorities the exact/formal position of the authorising officer must be given.)

<p>2. Describe the purpose of the specific operation or investigation.</p>
Empty space for response
<p>3. Describe in detail the surveillance operation to be authorised and expected duration, including any premises, vehicles or equipment (e.g. camera, binoculars, recorder) that may be used.</p>
Empty space for response
<p>4. The identities, where known, of those to be subject of the directed surveillance.</p>
<ul style="list-style-type: none"> • Name: • Address: • DOB: • Other information as appropriate:
<p>5. Explain the information that it is desired to obtain as a result of the directed surveillance.</p>
Empty space for response
<p>6. Identify the grounds upon which the directed surveillance is <u>necessary</u> having regard to RIPA and Shropshire Council internal guidance and procedures.</p>
Empty space for response



7. Explain why this directed surveillance is necessary on the grounds you have identified [Code paragraph 3.3].

8. Supply details of any potential collateral intrusion and why the intrusion is unavoidable. [Bear in mind Code paragraphs 3.8 to 3.11.] Describe precautions you will take to minimise collateral intrusion.

9. Explain why this directed surveillance is proportionate to what it seeks to achieve. How intrusive might it be on the subject of surveillance or on others? And why is this intrusion outweighed by the need for surveillance in operational terms or can the evidence be obtained by any other means [Code paragraphs 3.4 to 3.7]?

10. Confidential information [Code paragraphs 4.1 to 4.31].
INDICATE THE LIKELIHOOD OF ACQUIRING ANY CONFIDENTIAL INFORMATION:

11. Applicant's Details

Name (print)		Tel No:	
Grade/Rank		Date	

Signature		
-----------	--	--

12. Authorising Officer's Statement. [Spell out the "5 Ws" – Who; What; Where; When; Why and HOW– in this and the following box.]

I hereby authorise directed surveillance defined as follows: [*Why is the surveillance necessary, whom is the surveillance directed against, Where and When will it take place, What surveillance activity/equipment is sanctioned, How is it to be achieved?*]

13. Explain why you believe the directed surveillance is necessary [Code paragraph 3.3].
 Explain why you believe the directed surveillance to be proportionate to what is sought to be achieved by carrying it out [Code paragraphs 3.4 to 3.7].

[Empty response area for question 13]

14. (Confidential Information Authorisation.) Supply detail demonstrating compliance with Code paragraphs 4.1 to 4.31.

[Empty response area for question 14]

Date of first review	
----------------------	--

Programme for subsequent reviews of this authorisation: [Code paragraph 3.23]. Only complete this box if review dates after first review are known. If not or inappropriate to set additional review dates then leave blank.

Name (Print)		Grade / Rank	
Signature		Date and time	
Expiry date and time [e.g.: authorisation granted on 1 April 2005 - expires on 30 June 2005, 23.59]			

15. Urgent Authorisation [Code paragraph 5.9]: Authorising officer: explain why you considered the case so urgent that instead of a written authorisation was given.

--

16. If you are only entitled to act in urgent cases: explain why it was not reasonably practicable for the application to be considered by a fully qualified authorising officer.

--

Name (Print)		Grade/ Rank	
Signature		Date and Time	

Urgent authorisation Expiry date:		Expiry time:	
-----------------------------------	--	--------------	--

Remember the 72 hour rule for urgent authorities - check Code of Practice.	e.g. authorisation granted at 5pm on June 1 st expires 4.59pm on 4 th June		
---	--	--	--

2



European Convention on Human Rights / Human Rights Act 1998 Renewal of a Directed Surveillance Authorisation

Public Authority (including full address)			
Name of Applicant		Unit/Branch /Division	
Full Address			
Contact Details			
Investigation/Operation Name (if applicable)			
Renewal Number			

PROPOSED

Details of renewal:

1. Renewal numbers and dates of any previous renewals.	
Renewal Number	Date

2. Detail any significant changes to the information as listed in the original authorisation as it applies at the time of the renewal.

--

3. Detail the reasons why it is necessary to continue with the directed surveillance.

--

4. Detail why the directed surveillance is still proportionate to what it seeks to achieve.

--

5. Indicate the content and value to the investigation or operation of the information so far obtained by the directed surveillance.

--

6. Give details of the results of the regular reviews of the investigation or operation.

--

7. Applicant's Details

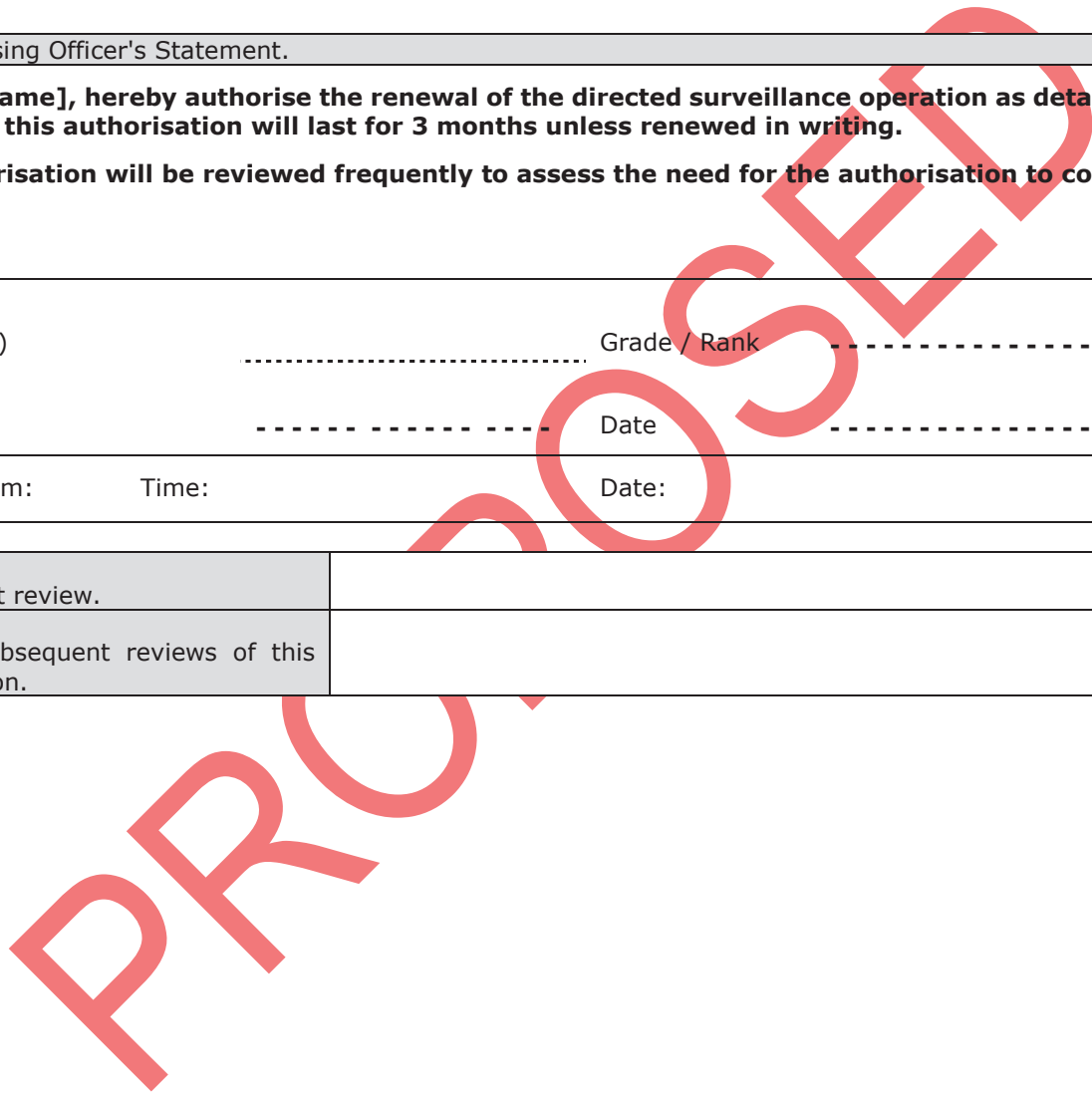
Name (Print)		Tel No	
Grade/Rank		Date	

Signature	
-----------	--

8. Authorising Officer's Comments. This box must be completed.

9. Authorising Officer's Statement.				
<p>I, [insert name], hereby authorise the renewal of the directed surveillance operation as detailed above. The renewal of this authorisation will last for 3 months unless renewed in writing.</p> <p>This authorisation will be reviewed frequently to assess the need for the authorisation to continue.</p>				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">Name (Print)</td> <td style="width: 50%; border: none;">Grade / Rank</td> </tr> <tr> <td style="border: none;">Signature</td> <td style="border: none;">Date</td> </tr> </table>	Name (Print)	Grade / Rank	Signature	Date
Name (Print)	Grade / Rank			
Signature	Date			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Renewal From:</td> <td style="width: 33%; border: none;">Time:</td> <td style="width: 33%; border: none;">Date:</td> </tr> </table>	Renewal From:	Time:	Date:	
Renewal From:	Time:	Date:		

Date of first review.	
Date of subsequent reviews of this authorisation.	



3



**European Convention on Human Rights / Human Rights Act 1998
Cancellation of a Directed Surveillance Authorisation**

Public Authority <i>(including full address)</i>			
Name of Applicant		Unit/Branch /Division	
Full Address			
Contact Details			
Investigation/Operation Name (if applicable)			

PROPOSED

Details of cancellation:

1. Explain the reason(s) for the cancellation of the authorisation:

2. Explain the value of surveillance in the operation:

3. Authorising officer's statement.	
I, [insert name], hereby authorise the cancellation of the directed surveillance investigation/operation as detailed above.	
Name (Print) _____	Grade _____
Signature _____	Date _____

4. Time and Date of when the authorising officer instructed the surveillance to cease.			
Date:		Time:	

5. Authorisation cancelled.	Date:	Time:
-----------------------------	-------	-------

PROPOSED



European Convention on Human Rights / Human Rights Act 1998 Review of a Directed Surveillance authorisation

Public Authority <i>(including address)</i>			
Applicant		Unit/Branch /Division	
Full Address			
Contact Details			
Operation Name		Operation Number* <small>*Filing Ref</small>	
Date of authorisation or last renewal		Expiry date of authorisation or last renewal	
		Review Number	

Details of review:

1. Review number and dates of any previous reviews.	
Review Number	Date

2. Summary of the investigation/operation to date, including what private information has been obtained and the value of the information so far obtained.

--

3. Detail the reasons why it is necessary to continue with the directed surveillance.

--

4. Explain how the proposed activity is still proportionate to what it seeks to achieve.

--

5. Detail any incidents of collateral intrusion and the likelihood of any further incidents of collateral intrusions occurring.

--

6. Give details of any confidential information acquired or accessed and the likelihood of acquiring confidential information.

--

7. Applicant's Details

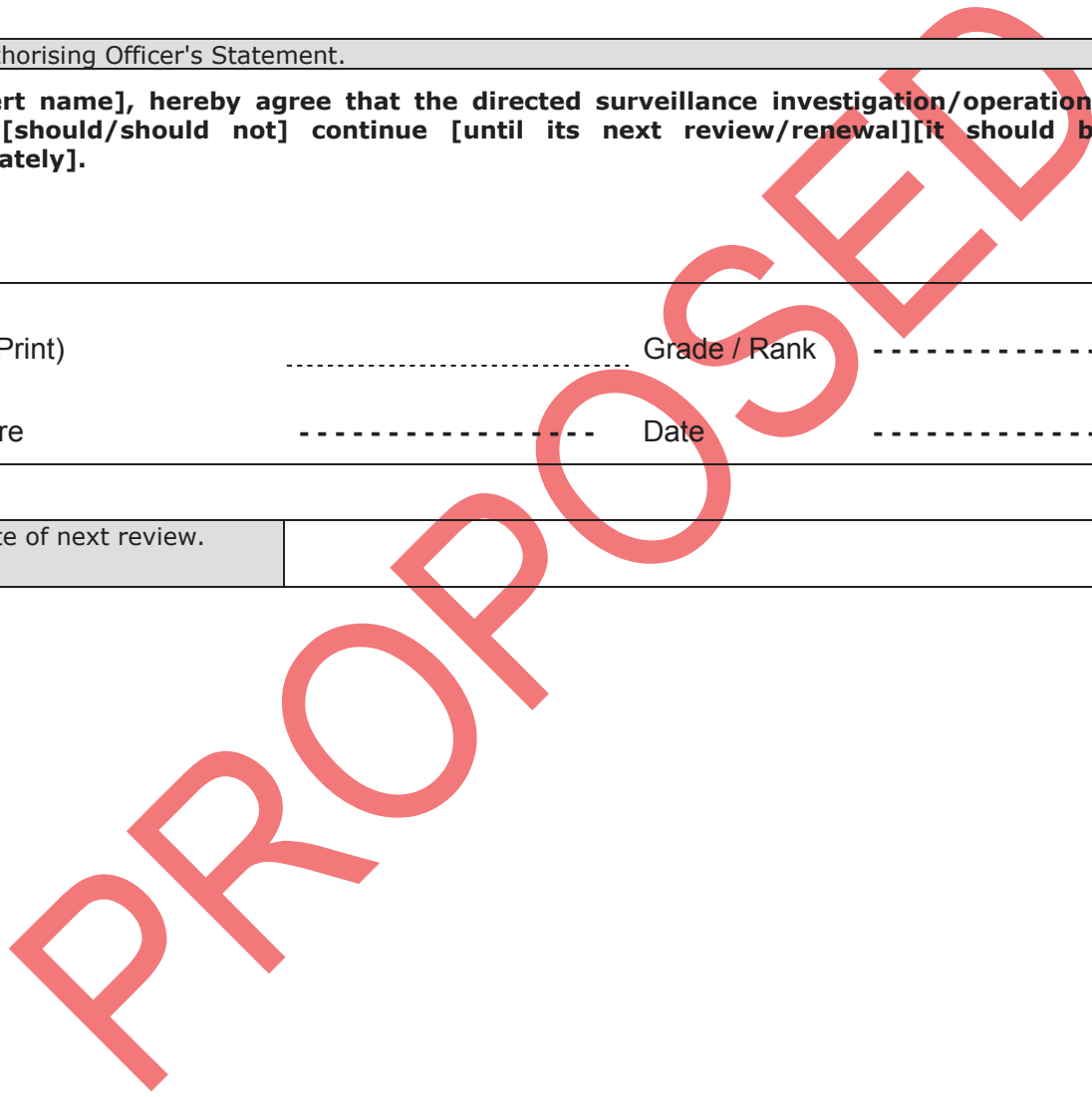
Name (Print)		Tel No	
Grade/Rank		Date	

Signature	
-----------	--

8. Review Officer's Comments, including whether or not the directed surveillance should continue.

9. Authorising Officer's Statement.
I, [insert name], hereby agree that the directed surveillance investigation/operation as detailed above [should/should not] continue [until its next review/renewal][it should be cancelled immediately].
Name (Print) Grade / Rank
Signature Date

10. Date of next review.	
---------------------------------	--



5



**European Convention on Human Rights / Human Rights Act 1998
Application for a Covert Human Intelligence Sources (CHIS)
Authorisation**

Public Authority <i>(including full address)</i>			
Name of Applicant		Service/Department / Branch	
How will the source be referred to (i.e. what will be his/her pseudonym or reference number)?			
What is the name, rank or position of the person within the relevant investigating authority who will have day to day responsibility for dealing with the source, including the source's security and welfare (often referred to as the Handler)?			
What is the name, rank or position of another person within the relevant investigating authority who will have general oversight of the use made of the source (often referred to as the Controller)?			
Who will be responsible for retaining (in secure, strictly controlled conditions, with need-to-know access) the source's true identity, a record of the use made of the source and the particulars required under RIP (Source Records) Regulations 2000 (SI 2000/2725)?			
Investigation/Operation Name (if applicable)			

DETAILS OF APPLICATION	
1. Give rank or position of authorising officer in accordance with the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 No. 521. (For local authorities the exact/formal position of the authorising officer must be given.)Where appropriate throughout amend references to the Order relevant to your authority.	
2. Describe the purpose of the specific operation or investigation.	
3. Describe in detail the purpose for which the source will be tasked or used.	
4. Describe in detail the proposed covert conduct of the source or how the source is to be used.	
5. Identify on which grounds the conduct or the use of the source is necessary under RIPA or internal Shropshire Council procedures	
6. Explain why this conduct or use of the source is necessary on the grounds you have identified [Code paragraph 3.2].	

--

7. Supply details of any potential collateral intrusion and why the intrusion is unavoidable. [Bear in mind Code paragraphs 3.8 to 3.11.] Describe precautions you will take to minimise collateral intrusion and how any will be managed.

--

8. Are there any particular sensitivities in the local community where the source is to be used? Are similar activities being undertaken by other public authorities that could impact on the deployment of the source (see Code paragraphs 3.17 to 3.18)?

--

PROPOSED

9. Provide an assessment of the risk to the source in carrying out the proposed conduct (see Code paragraph 6.14).

10. Explain why this conduct or use of the source is proportionate to what it seeks to achieve. How intrusive might it be on the subject(s) of surveillance or on others? How is this intrusion outweighed by the need for a source in operational terms, and could the evidence be obtained by any other means [Code paragraphs 3.3 to 3.5]?

**11. Confidential information [Code paragraphs 4.1 to 4.21]
Indicate the likelihood of acquiring any confidential information.**

References for any other linked authorisations:

12. Applicant's Details.

Name (print)		Grade/Rank/Position	
Signature		Tel No:	
Date			

13. Authorising Officer's Statement. [Spell out the "5 Ws" – Who; What; Where; When; Why and HOW – in this and the following box.] THE AUTHORISATION SHOULD IDENTIFY THE PSEUDONYM OR REFERENCE NUMBER OF THE SOURCE, NOT THE TRUE IDENTITY.

14. Explain why you believe the conduct or use of the source is necessary [Code paragraph 3.2] Explain why you believe the conduct or use of the source to be proportionate to what is sought to be achieved by their engagement [Code paragraphs 3.3 to 3.5].

15. Confidential Information Authorisation. Supply details demonstrating compliance with Code paragraphs 4.1 to 4.21

16. Date of first review:

17. Programme for subsequent reviews of this authorisation [Code paragraphs 5.15 and 5.16]. Only complete this box if review dates after first review are known. If not, or inappropriate to set additional review dates, then leave blank.

--

18. Authorising Officer's Details

Name (Print)		Grade/Rank/Position	
Signature		Time and date granted*	
		Time and date authorisation ends	

** Remember, an authorisation must be granted for a 12 month period, i.e. 1700 hrs 4th June 2006 to 2359hrs 3 June 2007*

19. Urgent Authorisation [Code paragraphs 5.13 and 5.14]: Authorising Officer: explain why you considered the case so urgent that an oral instead of a written authorisation was given.

--

20. If you are entitled to act only in urgent cases: explain why it was not reasonably practicable for the application to be considered by a fully designated Authorising Officer

--

21. Authorising Officer of urgent authorisation

Name (Print)		Grade/Rank/Position	
Signature		Date and Time	
Urgent authorisation expiry date:		Expiry time:	

Remember the 72 hour rule for urgent authorisations – check Code of Practice [Code Paragraph 5.14]. e.g. authorisation granted at 1700 on 1st June 2006 expires 1659 on 4th June 2006



European Convention on Human Rights / Human Rights Act 1998 Renewal of a Covert Human Intelligence Sources (CHIS) Authorisation

(Please attach the original authorisation)

Public Authority (including full address)	
--	--

Name of Applicant		Unit/Branch
Full Address		
Contact Details		
Pseudonym or reference number of source		
Investigation/Operation Name (if applicable)		
Renewal Number		

Details of renewal:

1. Renewal numbers and dates of any previous renewals.	
Renewal Number	Date

2. Detail any significant changes to the information as listed in the original authorisation as it applies at the time of the renewal.

3. Detail why it is necessary to continue with the authorisation, including details of any tasking given to the source.

4. Detail why the use or conduct of the source is still proportionate to what it seeks to achieve.

5. Detail the use made of the source in the period since the grant of authorisation or, as the case may be, latest renewal of the authorisation.

6. List the tasks given to the source during that period and the information obtained from the conduct or use of the source.

PROPOSED

7. Detail the results of regular reviews of the use of the source.

--

8. Give details of the review of the risk assessment on the security and welfare of using the source.

--

9. Applicant's Details

Name (Print)		Tel No	
Grade/Rank		Date	
Signature			

10. Authorising Officer's Comments. This box must be completed.

--

11. Authorising Officer's Statement. The authorisation should identify the pseudonym or reference number of the source not the true identity.

--

Name (Print)	Grade / Rank
Signature		Date
Renewal From:	Time:	Date: End date/time of the authorisation

NB. Renewal takes effect at the time/date of the original authorisation would have ceased but for the renewal

Date of first review:	
Date of subsequent reviews of this authorisation:	

PROPOSED



European Convention on Human Rights / Human Rights Act 1998
Cancellation of Covert Human Intelligence Sources (CHIS)
Authorisation

Public Authority <i>(including full address)</i>	
---	--

Name of Applicant		Unit/Branch	
Full Address			
Contact Details			
Pseudonym or reference number of source			
Investigation/Operation Name (if applicable)			

Details of cancellation:

1. Explain the reason(s) for the cancellation of the authorisation:
2. Explain the value of the source in the operation:

3. Authorising officer's statement. This should identify the pseudonym or reference number of the source not the true identity.

--

Name (Print) _____	Grade _____
Signature _____	Date _____

4. Time and Date of when the authorising officer instructed the use of the source to cease.

Date:		Time:	
-------	--	-------	--

PROPOS



**European Convention on Human Rights / Human Rights Act 1998
Review of a Covert Human Intelligence Sources (CHIS)
Authorisation**

Public Authority <i>(including full address)</i>			
Applicant		Unit/Branch	
Full Address			
Contact Details			
Pseudonym or reference number of source			
Operation Name		Operation Number * <small>*Filing Ref</small>	
Date of authorisation or last renewal		Expiry date of authorisation or last renewal	
Review Number			

Details of review:

1. Review number and dates of any previous reviews.	
Review Number	Date

2. Summary of the investigation/operation to date, including what information has been obtained and the value of the information so far obtained.

--

3. Detail the reasons why it is necessary to continue using a Covert Human Intelligence Source.

--

4. Explain how the proposed activity is still proportionate to what it seeks to achieve.

--

5. Detail any incidents of collateral intrusion and the likelihood of any further incidents of collateral intrusions occurring.

--

6. Give details of any confidential information acquired or accessed and the likelihood of acquiring confidential information.

--

PROPOSED

7. Give details of the review of the risk assessment on the security and welfare of using the source.

8. Applicant's Details			
Name (Print)		Tel No	
Grade/Rank		Date	
Signature			

9. Review Officer's Comments, including whether or not the use or conduct of the source should continue.

10. Authorising Officer's Statement. THE AUTHORISATION SHOULD IDENTIFY THE PSEUDONYM OR REFERENCE NUMBER OF THE SOURCE, NOT THE TRUE IDENTITY.	
Name (Print)	Grade / Rank
Signature	Date

Date of next review:	
-----------------------------	--



European Convention on Human Rights / Human Rights Act 1998 Accredited SPoC Notifying IOCCO of a Reportable Error

An error can only occur after a designated person:

1. Has granted an authorisation and the acquisition of data has been initiated, or
2. Has given notice and the notice has been served on a CP in writing, electronically or orally

Guidance on errors and those which must be reported to the IOCCO are contained within the code of practice (see in particular paragraph 6.15)

Reportable errors must be brought to the attention of IOCCO within 5 working days of being discovered (see paragraph 6.17 of the code)

1) Name of Accredited SPoC		4) SPoC's Telephone Number	
2) Office, Rank or Position of SPoC		5) SPoC's Fax Number	
3) SPoC's email Address		6) The error can be reported by email to	Ch2.inspectorate@homeoffice.gsi.gov.uk

7) DETAILS OF THE ERROR	
State whether Notice of Authorisation:	
Describe the communications data applied for as set out on the application;	
Describe the nature of the error;	
Date and time the error occurred; Date: Time:	
If the effort was made by the CSP – Name of the CSP and state whether CSP has been informed:	
8) UNINTENDED COLLATERAL INTRUSION	
If any has taken place, please describe what it was	
9) PREVENTION OF SIMILAR ERRORS REOCCURRING	
What steps have been, or will be, taken to ensure that a similar error does not reoccur	
10) REPORTING OF THE ERROR TO THE COMMISSIONER AND NOTIFYING THE SENIOR RESPONSIBLE OFFICER AND THE DESIGNATED PERSON	
<i>Note: There is a requirement to report the error to your senior responsible officer (SRO) and then to the Commissioner</i>	
Details of the SRO	Name of the SRO Telephone No
	Email address of the SRO
Details of the DP	Name of the DP Telephone No
	Email address of the DP
The date and time the report has been completed by SPoC	Date Time

APPENDIX 4

Forms to be used when applying for judicial approval under RIPA

1. Application for judicial approval
2. Order

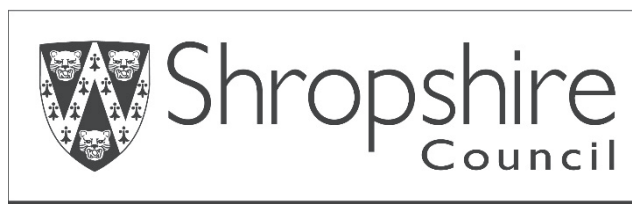
PROPOSED

1

APPLICATION FOR JUDICIAL APPROVAL

Insert service area/department

Shirehall,
Abbey Foregate
Shrewsbury
SY2 6ND



Application for Judicial Approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance

Regulation of Investigatory Powers Act 2000 Sections 23A, 23B, 32A, 32B

Criminal Procedure Rules 2012; Rule 6.27 & 6.28

Local Authority	Shropshire Council
Department	Insert service area/department
Offence Under Investigation: (inc. Statute / SI and Section)	Insert here the section and Act that you are investigating ** Note, where the application relates to Directed Surveillance, details must be given of the Offence section and it must be capable of a custodial penalty of at least 6 months. (Excludes Underage sales)
Address of premises or identity of subject	Enter premises / person details

Covert technique requested: **(Tick one box and specify details below)**

Communications Data

Covert Human Intelligence Source

Directed Surveillance

Summary of Details

Insert here details of the investigation / operation. (Note – if looking at communications data, be sure to specify the telephone numbers / IP addresses)

It would prejudice the investigation if the respondent or any other person affected were present.

Note: This application should be read in conjunction with the attached RIPA Authorisation / RIPA Application or Notice bearing the Investigation Reference Number given below:

Investigation Reference Number	Your File Reference
Investigating Officer	Name and Job title
Authorising Officer / Designated Person Name and Rank	
Officer(s) appearing before JP	Name & Job title
Address of applicant department	Shropshire Council Insert service area/department Shirehall Abbey Foregate Shrewsbury Shropshire SY2 6ND
Contact telephone number	
Contact e-mail address (optional)	
Number of pages	

The applicant states to the best of his/her knowledge and belief that this application discloses all the information that is material to what the Court must decide and the content of this application is true.

Signed :

Dated:

2

ORDER

Order made on an application for Judicial Approval for authorisation to obtain or disclose Communications Data, to use a Covert Human Intelligence Source or to conduct Directed Surveillance.

Regulation of Investigatory Powers Act 2000 Sections 23A, 23B, 32A, 32B.

Criminal Procedure Rules 2012: Rule 6.27 & 6.28

Magistrates Court: Shrewsbury Magistrates' Court

Having considered the application, I (tick one)

- Am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation / notice.**
- Refuse to approve the grant or renewal of the authorisation / notice.**
- Refuse to approve the grant or renewal and quash the authorisation / notice.**

Notes

.....

.....

.....

Reasons

.....

.....

.....

Signed:

Date: **Time:**

Full Name:

Address of Magistrates' Court: Shrewsbury Magistrates' Court, The Court House,
Preston Street, Shrewsbury SY2 5NX

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank