

Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND
Date: Wednesday, 7 December 2016

Committee: Council

Date: Thursday, 15 December 2016

Time: 10.00 am

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

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

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

Ann Hartley (Chairman)
Brian Williams (Speaker)
Malcolm Pate (Leader)
Steve Charmley (Deputy
Leader)
Peter Adams
Andrew Bannerman
Nicholas Bardsley
Tim Barker
Joyce Barrow
Tudor Bebb
Thomas Biggins
Andy Boddington
Vernon Bushell
Gwilym Butler
John Cadwallader
Karen Calder
Dean Carroll
Lee Chapman
Anne Chebsey
Peter Cherrington
Ted Clarke
Gerald Dakin
Steve Davenport
Andrew Davies
Pauline Dee

David Evans
Roger Evans
John Everall
Hannah Fraser
Nigel Hartin
Richard Huffer
Tracey Huffer
Roger Hughes
Vince Hunt
John Hurst-Knight
Jean Jones
Simon Jones
Jonny Keeley
Miles Kenny
Duncan Kerr
Heather Kidd
Nic Laurens
Christian Lea
Amy Liebich
David Lloyd
Robert Macey
Jane MacKenzie
Chris Mellings
David Minnery
Pamela Moseley
Alan Mosley

Cecilia Motley
Peggy Mullock
Peter Nutting
Kevin Pardy
William Parr
Vivienne Parry
John Price
Malcolm Price
David Roberts
Keith Roberts
Madge Shingleton
Jon Tandy
Robert Tindall
Dave Tremellen
Kevin Turley
David Turner
Arthur Walpole
Stuart West
Claire Wild
Leslie Winwood
Michael Wood
Tina Woodward
Paul Wynn

Your Committee Officer is:

Karen Nixon Committee Officer

Tel: 01743 257720

Email: karen.nixon@shropshire.gov.uk

AGENDA

1 Apologies for Absence

2 Disclosable Pecuniary Interests

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

3 Minutes (Pages 1 - 14)

To approve as a correct record the minutes of the previous meeting held on 22 September 2016 attached.

Contact Karen Nixon Tel 01743 257720.

4 Announcements

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

5 Public Questions (Pages 15 - 18)

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

A petition, bearing over 1,000 signatures, has been received from Mr and Mrs Stoddart, Administrators, on behalf of the 'Stop the Meole Brace Roundabout Works' Campaign Group, requesting a debate under the Council's Petition Scheme.

A background sheet from the Group has been circulated with the agenda papers for your information.

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

6 Retuning Officer's Report (Pages 19 - 20)

Report of the Head of Legal and Democratic Services is attached, marked 6.

Contact Claire Porter Tel 01743 252763

7 Portfolio Holder Annual Report for Planning, Housing and Regulatory Services & Environment (Pages 21 - 34)

To receive the report from the Portfolio Holder for Planning, Housing and Regulatory Services & Environment, (deferred from the last Council meeting on 22nd September 2016), attached marked 7.

- 8 Report of the Portfolio Holder for Rural Services and Communities** (Pages 35 - 42)
To receive the report from the Portfolio Holder for Rural Services and Communities, attached marked 8.
- 9 Report of the Portfolio Holder for Business and Economy** (Pages 43 - 52)
To receive the report from the Portfolio Holder for Business and Economy, attached marked 9.
- 10 Annual Report of the Enterprise and Growth Scrutiny Committee** (Pages 53 - 56)
To receive the report of the Chairman of the Enterprise and Growth Scrutiny Committee, attached marked 10.
- 11 Report of the Portfolio Holder for Strategy, Budget and Business Plan** (Pages 57 - 60)
To receive the report from the Portfolio Holder for Strategy, Budget and Business Plan, attached marked 11.
- 12 Report of the Portfolio Holder for Corporate Support** (Pages 61 - 72)
To receive the report from the Portfolio Holder for Corporate Support, attached marked 12.
- 13 Annual Report of the Performance Management Scrutiny Committee** (Pages 73 - 76)
To receive the report from the Chairman of the Performance Management Scrutiny Committee, attached marked 13.
- 14 Setting the Council Taxbase for 2017/18** (Pages 77 - 94)
Report of the Head of Finance, Governance and Assurance attached marked 14.
Contact James Walton Tel 01743 255011.
- 15 Financial Strategy 2017/18** (Pages 95 - 122)
Report of the Head of Finance, Governance and Assurance attached marked 15.
Contact James Walton Tel 01743 255011.

- 16 Treasury Strategy 2016/17 - Mid Year Review** (Pages 123 - 142)
Report of the Head of Finance, Governance and Assurance attached marked 16.
Contact James Walton Tel 01743 255011.
- 17 LGPS Central - Investment Pooling** (Pages 143 - 164)
Report of the Head of Finance, Governance and Assurance attached marked 17.
Contact James Walton Tel 01743 255011.
- 18 Changes to Arrangements for Appointment of External Auditors** (Pages 165 - 170)
Report of the Head of Finance, Governance and Assurance attached marked 18.
Contact James Walton Tel 01743 255011.
- 19 Draft Shropshire Council Corporate Plan 2016/17 to 2018/19** (Pages 171 - 206)
Report of the Chief Executive attached marked 19.
Contact Clive Wright Tel 01743 258675.
- 20 West Mercia Youth Justice Plan 2016-17** (Pages 207 - 256)
Report of the Director of Children's Services attached marked 20.
Contact Karen Bradshaw Tel 01743 254021.
- 21 Adoption of the Shifnal Neighbourhood Plan** (Pages 257 - 260)
Report of the Director of Place and Enterprise is attached marked 21.
Contact George Candler Tel 01743 258671.
- 22 Review of Polling Districts, Polling Places and Polling Stations 2016** (Pages 261 - 266)
Report of the Head of Legal & Democratic Services is attached marked 22.
Contact Claire Porter Tel: 01743 252763.
- 23 Appointments to Committees**

To confirm the following changes of membership:

- Audit Committee

The appointment of Peter Nutting as a Substitute Member to replace Nic Laurens.

- Environment & Services Scrutiny Committee
The appointment of Nick Bardsley as a Substitute Member to replace John Price
The appointment of Roger Evans as a Substitute Member
- Children & Young People's Scrutiny
The appointment of Arthur Walpole as a Full Member.
The appointment of Nic Laurens as a Substitute Member.
- Enterprise & Growth Scrutiny Committee
The appointment of Jonny Keeley as a Full Member
The appointment of Roger Evans as a Substitute Member
- Health and Adult Social Care Scrutiny Committee
The appointment of Dean Carroll as a Substitute Member to replace David Roberts.

24 Motions

The following 3 motions have been received in accordance with Procedure Rule 16 as follows;

24.1 From Councillor Tracey Huffer

"Sustainability and Transformation Plan

On 28 November, the STP for Shropshire and Telford and Wrekin was published. It lacks detail, especially on finances. The area where it is weakest is on provision of rural services. The STP talks about reviewing community beds across the county. We

all know that 'reviewing' is a euphemism for cuts. The STP barely makes a mention of rural maternity services.

This Council requests that the Leader or Chief Executive write to Simon Wright, the area lead for the STP, and Shropshire MPs, calling for a greater emphasis on rural care in the STP, including maternity care."

24.2 From Councillor Hannah Fraser

"This Council notes with concern that the government's proposals for an Apprenticeship Levy will result in Local Authority maintained schools contributing 0.5% of their budget to the scheme. This authority considers that public funding for education should not be diverted to supporting the Apprenticeship Levy, and that schools should be exempt from the scheme, particularly as children in Local Authority Schools will be disadvantaged compared with children in Academies or Free Schools.

This Council resolves to write to the relevant Government Minister and our Shropshire MPs to express our concern regarding the proposals, and make the case for schools to be exempt from the Apprenticeship Levy."

24.3 From Cllr Roger Evans/Lib Dem Group

“ This Council notes that the recent Financial Report which was considered and agreed by Cabinet on 9th November proposed some funding be diverted into recycling empty homes. This was to help regenerate Shropshire’s communities. The amount allocated however is just £250,000 for this year with a similar amount for next year. This is not enough.

Council is disappointed to see just this relatively small amount being allocated. When the present Empty Homes Strategy 2014–17 was first proposed in 2014 the Liberal Democrat Group called it in for examination by a Scrutiny Committee. This cross party group of backbench councillors looked at what was proposed and made five recommendations. The fifth recommendation was

“That 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 be 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.”

The report including the above statement was presented to and adopted by the Cabinet on 29 July 2015.

It is understood a business case was produced but never published, was kept secret. Resources were in fact reduced and proposals were made to redeploy staff.

A number of our neighbouring local authorities took a different attitude and have so gained both extra cash off the Government by drastically reducing the number of long term empty homes in their areas and of course increasing the number of home available for residents to live in.

Two examples are

- Cheshire East Unitary Authority has reduced the number of long term empty homes since they were formed in 2009 by just over 50%. In October 2009 they had 3,200 long term vacant dwellings. In October 2015 the total had reduced to 1540.
- Herefordshire has also reduced theirs by over 50%. Reducing the number of long term empty homes over a similar period from 845 to 419.

Shropshire by comparison in October 2009 had 1,940 long term empty homes and 1,526 in October 2015. A reduction of just over 20%, equal to just 69 homes per year being made available for families to live in. The staff we have working in this area work hard but lack resources to enable them to do their work as they would wish, as we would wish and importantly as those in housing need want them to.

It is further noted that;

- For 2016/17 this council is receiving £9.2m from our Government in New Homes Bonus. This includes the contribution council receives from Government

due to the 35 vacant homes returned to occupation between October 2014 and October 2015.

- The Shropshire Council web page covering this area was last updated in May 2016 with the message
“This strategy is currently under review. An updated version will be made available on this page as soon as possible.”

Council asks Cabinet to look again at their recent decision and allocates sufficient funds to enable more empty homes to be made available for those in need of housing and also increase the amount that this council receives in New Homes Bonus.

25 Questions from Members (Pages 267 - 278)

To receive any questions from Members, notice of which has been given in accordance with Procedure Rule 15.2, attached marked 25.

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Committee and Date

Council

15 December 2016

COUNCIL

Minutes of the meeting held on 22 September 2016

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

10.00 am - 3.10 pm

Responsible Officer: Karen Nixon

Email: karen.nixon@shropshire.gov.uk Tel: 01743 257720

Present

Councillors Ann Hartley and Malcolm Pate (Leader)

Councillors Brian Williams (Speaker), Steve Charmley (Deputy Leader), Peter Adams, Andrew Bannerman, Joyce Barrow, Andy Boddington, Gwilym Butler, John Cadwallader, Karen Calder, Dean Carroll, Lee Chapman, Anne Chebsey, Ted Clarke, Gerald Dakin, Steve Davenport, Andrew Davies, Pauline Dee, Roger Evans, John Everall, Hannah Fraser, Nigel Hartin, Richard Huffer, Tracey Huffer, Roger Hughes, Vince Hunt, John Hurst-Knight, Simon Jones, Jonny Keeley, Miles Kenny, Duncan Kerr, Heather Kidd, Nic Laurens, Christian Lea, David Lloyd, Robert Macey, Jane MacKenzie, Chris Mellings, David Minnery, Pamela Moseley, Alan Mosley, Cecilia Motley, Peggy Mullock, Peter Nutting, Kevin Pardy, William Parr, Vivienne Parry, John Price, David Roberts, Keith Roberts, Madge Shingleton, Jon Tandy, Robert Tindall, Dave Tremellen, Kevin Turley, David Turner, Arthur Walpole, Stuart West, Claire Wild, Leslie Winwood, Michael Wood, Tina Woodward and Paul Wynn

30 APOLOGIES FOR ABSENCE

The Chief Executive reported that apologies for absence had been received from Mr N Bardsley, Mr T Barker, Mr T Bebb, Mr T Biggins, Mr V Bushell, Mr P Cherrington, Dr J Jones, Ms A Liebich and Mr M Price.

31 DISCLOSABLE PECUNIARY INTERESTS

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

32 MINUTES

Subject to it being agreed that under Minute 19, 'Draft Shropshire Council Corporate Plan 2016/17 to 2018/19', it was agreed that this should include d). That Climate Change would be included within the Corporate Plan, it was

RESOLVED: That the Minutes of the meeting held on 21 July 2016, as circulated with the agenda papers, be approved and signed as a correct record.

33 ANNOUNCEMENTS

33.1 Chairman's Engagements

The Chairman referred Members to the list of official engagements carried out by herself and the Speaker since the last meeting of the Council on 21 July 2016, which had been circulated at the meeting.

33.2 Professor The Lord Rees of Ludlow, Astronomer Royal

Formal congratulations were made to the Professor The Lord Rees of Ludlow, Astronomer Royal, on the bestowal of an Honorary Doctorate of Science by Harvard University on 26 May 2016.

34 PUBLIC QUESTIONS

Petitions

The Speaker advised that two petitions, each bearing more than 1,000 signatures had been received. Each petitioner was given 5 minutes to open the debate and outline their case, which was briefly as follows;

- a) Mr Alan James, Branch Secretary, Shropshire Unison – this petition actively pursued the '5.4% Campaign' to return the lost 5.4% pay back into employee's salaries.

Mr James stated that in June 2011 Shropshire Council staff reluctantly accepted a 5.4% pay cut which was intended to be for a short time-limited period. In fairness, he said the reduction was actually 4% due to Unison negotiating a cut in the original figure of 1.4%. To date, this reduction has not been re-instated and the campaign proposed two parts; firstly to get the Council to debate this and vote to honour their original decision to restore Shropshire staff's pay grades in line with the national frameworks and secondly for Council to open negotiations with Unison as to how this pay parity could be achieved in a sensible and manageable way. The original pay cut had been staged over two years and Unison's view was that it would not be unreasonable for any amendment to be rectified in the same manner; staged over two years across all pay grades.

The Campaign was not about greed and avarice it was about fairness, respect and recognition.

A debate ensued with the following members speaking in full support of the petition; Mr R Evans, Mr A Mosley, Mr D Kerr and Mrs M Shineton. In formally responding to the petition, the Leader, Mr M Pate confirmed that yes, staff were the biggest asset in Shropshire Council and were very much appreciated. However, the reality was that the revenue budget situation was worse now than it had been in the past and this was not the right time to take such action. This was regrettable and Mr

Pate did not rule it out in the future, but in being realistic, he said the formal response he was recommending as Leader would be to 'take no further action'.

A recorded vote was requested and duly agreed. The result was as follows;

FOR (39): P Adams, J Barrow, G Butler, J Cadwallader, K Calder, D Carroll, L Chapman, S Charmley, G Dakin, S Davenport, A Davies, J Everall, A Hartley, R Hughes, V Hunt, J Hurst-Knight, S Jones, N Laurens C Lea, David Lloyd, R Macey, D Minnery, C Motley, P Mullock, P Nutting, W Parr, M Pate, J Price, K Roberts, R Tindall, D Turner, A Walpole, S West, C Wild, B Williams, L Winwood, M Wood, T Woodward and P Wynn.

AGAINST (23): A Bannerman, A Boddington, A Chebsey, T Clarke, P Dee, R Evans, H Fraser, N Hartin, R Huffer, T Huffer, J Keeley, M Kenny, D Kerr, H Kidd, J Mackenzie, P Moseley, A Mosley, K Pardy, V Parry, M Shineton, J Tandy, D Tremellen and K Turley.

NO ABSTENTIONS.

It was therefore agreed by the majority, to take no further action in respect of this petition.

- b) Mr Peter Norman, Ludlow - this petition urged Shropshire Council to continue financing services for young people provided by Ludlow Foyer at the current level during 2017/18 and subsequent financial years. (On the day, Mr Mike Beazley spoke on the petition in place of Mr Norman who was unable to attend due to a clash of commitments).

Mr Beazley urged the Council to continue to fund the vital services for young people provided by the Ludlow Foyer at the current level during 2017/18 and in subsequent financial years. He explained that the Foyer in the Old Marston's Mill building in Ludlow provided 15 bed spaces in single rooms, communal facilities and a programme of support and training for very vulnerable young people aged 16 to 25. Five full time members of staff and an external concierge service provided 7 day a week, 24 hour cover under a contract with the Council. From April 2017, Ludlow Foyer would be one of only two facilities offering bed spaces to young homeless people in Shropshire.

The Supporting People grant from the Council was £102,000 a year and was due to end in March 2017. The grant covered the statutory requirement for preventive services for under 18's, and intensive support for vulnerable 18 to 25 year olds. Funding came from the Adult Services budget and it was understood that cuts to this budget were currently being considered, with final decisions being made later in September. Mr Beazley stressed that if the £102,000 grant to the Foyer was not renewed in full, the Foyer service would no longer be viable.

A debate ensued with the following members speaking strongly in support of the petition; Cllrs A Boddington, P Dee, A Moseley, A Chebsey and H Kidd.

In response the Portfolio Holder for Adults, Mr L Chapman, welcomed the petition and the opportunity it afforded everyone for a good debate on the Ludlow Foyer. He confirmed that a partnership approach had been undertaken early on to consider all aspects of funding. In addition the Performance Management Scrutiny Committee had looked at this and the Portfolio Holder was confident of cuts not having to be made. The Financial Strategy 2017/18 to 2019/20 was due to be considered by Cabinet on the 28 September 2016 and subject to its approval he said he was confident that the proposed cuts for 2017/18 would not take place. Therefore for those reasons, he proposed to 'take no further action' in respect of this petition. This was duly agreed by the majority.

Cllr C Mellings declared a Disclosable Pecuniary Interest in both petitions and duly left the room and took no part in the debates when the petitions were being considered.

Public Questions

The Speaker advised that two public questions had been received in accordance with Procedure Rule 15 (a copy of the report containing the questions and the formal responses was attached to the signed minutes):

- (i) Received from Mr D Sandbach regarding support of the Enable initiative.

By way of a supplementary question Mr Sandbach asked if Council members thought the CCG had 'stabbed service personnel in the back' because the CCG was unable to properly account for the £4.5 million of its expenditure in the last financial year and did it think the time had now come to set up a working party to consider taking over the local management of the NHS on behalf of the Secretary of State for Health?

In response the Portfolio Holder for Health said she understood Mr Sandbach's frustration. There was definitely the need for a whole systems approach and she urged the Chief Executive to approach CCG colleagues to discuss a whole system approach in more detail.

- (ii) Received from Ms E Bullard regarding current mileage rates paid for staff travel by bicycle and encouraging reduced carbon emissions.

There was no supplementary question.

35 REPORT OF THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICES

It was proposed by Mr D Minnery, Portfolio Holder for Children's Service, and seconded by Mr S Davenport that the report, a copy of which is attached to the signed minutes be received.

Mr Minnery presented and amplified his report and responded to the questions, queries and concerns raised by Members, including Mr A Mosley, Mr M Kenny, Mrs

H Fraser, Mr A Bannerman, Mrs V Parry, Mr D Kerr, Mr R Evans, Mrs K Calder and Mr S Davenport.

In conclusion, he expressed his sincere thanks to Mr N Bardsley for his valuable contribution as Deputy to the Children's Service and also thanked officers for their hard work and continued commitment.

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

36 **ANNUAL REPORT 2015/16 OF THE YOUNG PEOPLE'S SCRUTINY COMMITTEE**

It was proposed by Mrs J Barrow, Chair of the Young People's Scrutiny Committee, and seconded by Mrs P Mullock that the Annual Report 2015/16, a copy of which is attached to the signed minutes, be received and agreed.

Mrs Barrow presented her report, a copy of which is attached to the signed minutes. She thanked all those people who had been involved in the work of this Scrutiny Committee including Cllrs A Hartley, D Minnery, N Bardsley and P Mullock, for their valuable contributions.

RESOLVED: That the contents of the Annual Report of the Young People's Scrutiny Committee 2015/16 be received.

37 **PORTFOLIO HOLDER ANNUAL REPORT FOR PLANNING, HOUSING, REGULATORY SERVICES AND ENVIRONMENT**

RESOLVED: That in the Portfolio Holder's absence, this item be deferred to the 15th December 2016 Council meeting.

38 **PORTFOLIO HOLDER REPORT FOR HIGHWAYS AND TRANSPORT**

It was proposed by Mr S Jones, Portfolio Holder for Highways and Transport, and seconded by Mr P Adams that the report, a copy of which is attached to the signed minutes be received.

Mr Jones presented his report, a copy of which is attached to the signed minutes, on undertaking his responsibilities as Portfolio Holder for Highways and Transport. The report set out what had been achieved so far and the direction for the future. In amplifying his report Mr Jones responded to the questions, queries and concerns raised by Members, including Mrs P Dee, Mr M Kenny, Mrs M Shingleton, Mrs V Parry, Mr A Bannerman, Mrs J Barrow, Mr R Evans and Mr P Adams.

In conclusion, he expressed his thanks to officers for their hard work, but in particular to the Passenger Transport Team for their excellent work and commitment, following a local transport company folding.

RESOLVED: That the contents of the report by the Portfolio Holder for Highways and Transport be received.

39 PORTFOLIO HOLDER REPORT FOR CULTURE AND LEISURE

Mr S West presented his report, a copy of which is attached to the signed minutes, on undertaking his responsibilities as Portfolio Holder for Culture and Leisure. Mr West amplified the report and responded to questions, queries and concerns raised by Members, including Mr A Bannerman, Mrs V Parry, Mrs H Fraser, Mrs P Dee Mr R Evans, Mr K Pardy, Mr A Mosley and Mrs C Motley. Special thanks were also conveyed to Mr George Candler by Mr West.

At page 12, it was noted that Wem Library closed at 5.00pm on Tuesday and Thursdays (not Wednesdays as printed).

RESOLVED: That subject to the foregoing, the contents of the report by the Portfolio Holder for Culture and Leisure be received.

40 ANNUAL REPORT 2015/16 OF THE ENVIRONMENT & SERVICES SCRUTINY COMMITTEE

Mr V Hunt presented a report, a copy of which is attached to the signed minutes, which gave an overview of the work of the Environment and Services Scrutiny Committee during 2015-16, its plans for the forthcoming year and its achievements in providing positive outcomes for local people.

RESOLVED: That the contents of the Annual Report 2015-2016 of the Environment and Services Scrutiny Committee be received.

41 REPORT OF THE INDEPENDENT REMUNERATION PANEL

It was proposed by the Leader, Mr M Pate, and seconded by Mr M Wood that the report of the Head of Legal and Democratic Services, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

An amendment was moved by Mr M Kenny and seconded by Mr R Evans that all Scrutiny Chairman's Special Responsibility Allowances should be reduced by 50% and the savings (£14,392.50) be used to resolve issues within the Youth Service.

In the light of this amendment the following members declared a conflict of interest and duly left the room whilst the item was being discussed; Councillors A Mosley, J Tandy, M Shingleton, P Dee, P Moseley, V Hunt and K Pardy.

When put to the vote this amendment was lost with the majority voting against.

In debating the report of the Independent Remuneration Panel (IRP) Mr R Tindall specifically asked for the views of Deputy Portfolio Holders to be taken account of in future.

Mr D Kerr highlighted that he had not been invited to the last IRP meeting as Leader of the Green Party, which Mr Pate apologised for.

RESOLVED:

- (a) That the Special Responsibility Allowance paid to the Scrutiny Chairman be continued at its present level on the basis that further changes are expected to be made to the existing Scrutiny Committee structure following the establishment of the next administration in 2017 and implemented later that year.
- (b) That although a 1% increase to the basic allowance to Members - which reflects that given to local authority staff - would seem to be appropriate, no increase in basic allowance should be implemented until it can be funded by a simplification of the current SRA structure as part of a thorough review.
- (c) That, following the establishment of the next administration in 2017, a thorough review should be undertaken at the earliest possible opportunity thereafter and that it should address the specific items mentioned previously but should also look more broadly at the allowances structure with a view to their continued relevance, utility and appropriateness.
- (d) That, as part of the above-mentioned review, consideration be given to:
 - The adoption of a slimmer, simplified approach to Special Responsibility Allowances
 - In so far as it possible and aligned to the previous point, seeking to reduce the size of the overall allowances budget whilst at the same time, recognising appropriately the contribution of members
 - The Scrutiny Function being restructured and simplified such that it better reflects the work that it needs to do in holding the administration to account and the work done by those involved is recognised appropriately.

42 COUNCIL TAX, BUSINESS RATES AND HOUSING BENEFIT OVERPAYMENT DEBT COLLECTION POLICY

It was proposed by Mr M Pate, and seconded by Mr L Chapman, that the report (including an Addendum), a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

RESOLVED:

- a) That the Council Policy for Debt Collection of Council Tax, Business rates and Housing Benefit Overpayment set out in Appendix A be approved.

- b) That the Council Policy for Debt Collection of Council Tax, Business Rates and Housing Benefit Overpayment be reviewed every three years.

43 **AUDITED STATEMENT OF ACCOUNTS 2015/16**

It was proposed by Mr J Cadwallader, and seconded by Mr D Turner, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

The Portfolio holder invited members with detailed questions to see him after the meeting.

RESOLVED:

- a) That 2015/16 Statement of Accounts be approved and that the Chairman of the Council signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).
- b) That the Head of Finance, Governance and Assurance be authorised to make any minor adjustments to the Statement of Accounts prior to the 30th September 2016.
- c) That the Head of Finance, Governance and Assurance and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

44 **ANNUAL TREASURY REPORT 2015/16**

It was proposed by Mr M Pate, and seconded by Mr M Wood, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein be received and agreed.

RESOLVED UNANIMOUSLY: That the position as set out in the Annual Treasury report 2015/16 of the Head of Finance, Governance and Assurance be approved.

45 **COMMUNITY GOVERNANCE REVIEWS**

It was proposed by the Leader, Mr M Pate, and seconded by Mr G Butler, that the report, a copy of which is attached to the signed minutes and the recommendations contained therein be received and agreed.

RESOLVED: That the recommendations of the Community Governance Working Party (as detailed within the report) in respect of the following parishes be approved:

- Abdon and Heath
- Adderley, Market Drayton and Moreton Say
- Albrighton

- Wem Rural, and
- Wroxeter and Uppington.

46 **ADOPTION OF THE UNDERDALE, MONKMOOR AND ABBEY (UMACC) COMMUNITY LED PLAN**

It was proposed by Mr L Chapman, and seconded by Mr M Kenny that the report, a copy of which is attached to the signed minutes and the recommendations contained therein, be received and agreed.

RESOLVED: That Policies R1-5; SC1-2; SCL1; TP1 and 5; HCD1 and 3-7; HBA1-3 and 5; GS1-4; and GA1-6 of the Underdale, Monkmoor and Abbey (UMACC) Community Led Plan (pages 21-28 of Appendix 1) be adopted as material considerations for the purpose of development management decisions by the Council in its role as Local Planning Authority.

47 **MOTIONS**

47.1 The following motion was proposed by Mr A Boddington and duly seconded by Mr R Evans:

“In March, the Communities Department published its final Statutory Guidance on the Flexible Use of Capital Receipts. This guidance will allow Shropshire Council to use capital receipts for service transformation from 1 April 2016 to 31 March 2019. The guidance states:

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

This Council requires that Shropshire Council allocates a proportion of income from future capital sales to the County’s Town and Parish Councils to support their contribution to transforming service delivery.’

Mr M Pate proposed an amendment, which was seconded by Mrs C Motley, to amend the motion to read as follows;

“In March, the Communities Department published its final Statutory Guidance on the Flexible Use of Capital Receipts. This guidance will allow Shropshire Council to use capital receipts for service transformation from 1 April 2016 to 31 March 2019.

The Council therefore congratulates the Conservative Administration on its careful use of Capital Receipts to support the revenue budget to protect services. The Council also congratulates those Parish and Town Councils who are working in partnership with the Council to continue delivering community services.”

After debate and on being put to the vote, the amendment to the motion was agreed with the majority voting in favour. The substantive motion was then put and was duly carried.

47.2 The following motion was proposed by Mrs V Parry and duly seconded by Mr R Evans:

“The Council instructs the Chief Executive to write to the Government asking it to ensure fair transitional arrangements for all women born on or after 6th April 1951. This cohort has unfairly borne the burden of the increase to the State Pension Age (SPA). Hundreds of thousands of women have had significant changes imposed on them with a lack of appropriate notification after the 1995 Conservative Government’s Pension Act included plans to increase women’s SPA to 65, the same as for men. Retirement plans for thousands of women have been shattered as a result with devastating consequences.’

Mr M Pate proposed an amendment, which was seconded by Mr S Jones, to amend the motion to read as follows;

“The Council instructs the Chief Executive to write to the Government asking it to ensure fair transitional arrangements for all women born on or after 6th April 1951. The Council welcomes the sense of equality in bringing women’s pension age level equal with men’s”.

Mrs V Parry then moved a further amendment to her original motion which was seconded by Mr R Evans as follows;

“This Council regrets the lack of notice imposed on a number of our residents by the application of the recent Pensions Act”

On being put to the vote this amendment was lost, with the majority voting against.

Mr Pate’s amendment then became the substantive motion and was carried with the majority voting in favour.

47.3 The following motion was proposed by Mr R Evans and duly seconded by Mr M Kenny:

“This Council notes the recent announcement by the Government to postpone the 6% cut to Community Pharmacy Funding from October 2016. This would, if implemented, have resulted in a reduction of £170m to a much needed and valued service.

The LGA on behalf of its 370 councils warned that implementing the cut would put many at risk of going out of business and so pull the plug on a vital lifeline for many

elderly and vulnerable patients. Any reduction in Pharmacies would also impact adversely on our NHS and our hard-pressed GP Surgeries.

This Council requests the Chief Executive to write to the Prime Minister and all our MPs asking them to make this postponement a permanent one and so maintain the budget at its present level. As the largest inland rural county, many of our small communities would be adversely affected by the closure of any of the present Pharmacies.'

An amendment was proposed by the Conservatives which read as follows;

"This Council welcomes the recent announcement by the Government to cancel the 6% cut to Community Pharmacy Funding from October 2016.

The Council supports the Local Government Association in its efforts in this matter and requests that the Chief Executive write to the Prime Minister and all our MPs asking them to make this postponement permanent."

On being put to the vote this amendment was agreed unanimously.

48 **REPORT OF THE SHROPSHIRE AND WREKIN FIRE & RESCUE AUTHORITY**

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

RESOLVED: That subject to the foregoing the report of the Shropshire and Wrekin Fire and Rescue Authority be noted.

49 **QUESTIONS FROM MEMBERS**

The Speaker advised that six questions had been received in accordance with Procedure Rule 15 (copies of the report containing the detailed questions and their formal responses are attached to the signed minutes).

- (i) Received from Mr D Roberts and answered by Mr M Price, Portfolio Holder for Planning, Housing, Regulatory Services and Environment about licensing practices for appellants.

There was no supplementary question.

- (ii) Received from Mr D Kerr and answered by Mr R Tindall, Deputy Cabinet Member for Estates and Built Assets about notice for smallholding tenancies.

There was no supplementary question.

- (iii) Received from Mr D Kerr and answered by Mrs K Calder, Portfolio Holder for Health about the 'White Ribbon' standard.

By way of a supplementary question Mr Kerr asked why the Council had not met this standard yet and whether or not it would be seeking accreditation in the future.

In response the Portfolio Holder confirmed that Shropshire Council was currently reviewing this to see what was required.

- (iv) Received from Mr M Kenny and answered by Mr S Jones, Portfolio Holder for Highways and Transport about the Sustainable Travel Access Fund.

By way of a supplementary question Mr Kenny asked why the Council was not applying for capital funding for the cycling and walking network.

In response the Portfolio Holder confirmed that his response was already contained within the written response.

- (v) Received from Mr M Kenny and answered by the Leader, Mr M Pate, about the cost of refurbishing the West Wing and who was using this space.

There was no supplementary question.

- (vi) Received from Mr R Evans and answered by Mr M Price, Portfolio Holder for Planning, Housing, Regulatory Services and Environment about the Ludlow Foyer and how it will continue to be financed.

By way of a supplementary question Mr Evans asked if the Portfolio Holder could give an assurance that no cuts would be made to the Foyer and that it would continue to be funded.

The Portfolio Holder was not present at the meeting and therefore this would be conveyed to Mr Price, so that he could let Mr Evans have a reply after the meeting.

50 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

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

51 SHROPSHIRE COUNCIL SMALLHOLDING ESTATE (Exempted by Categories 1 & 3)

The Council received an exempt report by the Head of Business Enterprise and Commercial Services, a copy of which is attached to the signed minutes, which gave an update on the Shropshire Council Smallholdings Estate.

RESOLVED: That the exempt report and recommendation contained therein be approved.

Signed (Chairman)

Date:

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A summary of the Issues to put before the Council Meeting of 15 December 2016.

1. Roman Road towards Meole Brace Retail Park roundabout.

The design proposals for the Meole Brace Roundabout with a road cut through from the Roman Road towards Meole Retail Park will increase traffic volumes arriving at Meole Retail Park roundabout which is already congested.

It is our opinion that should the proposed new traffic lights fail then the cut through could be dangerous. Ordinarily roundabouts will function when traffic lights fail due to their simplicity of design and user familiarity.

This scheme makes current congestion at the Meole Retail Park roundabout worse and increases the likelihood of an accident. The cut through road should be removed.

2. Roman Road towards Hazeldine Way and onwards to Telford Way (the Inner Ring Road).

There are housing development proposals in Shrewsbury West towards Bicton Heath. There are also proposals to site 'real time' Traffic Information Messaging boards at various approaches to Shrewsbury. Their purpose, we understand, is to give drivers information that it is hoped will direct traffic towards the Inner Ring Road rather than through the town centre. We would therefore expect to see additional traffic going from the Roman Road and turning left into Hazeldine Way. We consider this should be treated as a significant priority.

A re-design could develop this left turning function and satisfy Shrewsbury town residents that there is a commitment to reduce town centre 'through traffic' from Shrewsbury West towards Harlescott.

This should be the priority route, not as designed towards Meole Brace Retail Park.
(See arrow on plan)

3. The Status of Meole Brace Island.

Many of the 4500+ who signed this petition did so because they value the Island as a quality gateway to Shrewsbury, and value the trees and wildlife (mainly rabbits and hedgehogs) that have found sanctuary there.

Many who signed this petition did so because over some 15 years or more this island has functioned well as a traffic management entity, and they consider that the Meole Retail Park access is a significant congestion problem and it is this that needs to be addressed.

The 239 responses from the consultation process were an inadequate representation of wider public views, compared with our petition of some 4500+ signatures which shows major concern regarding the proposals for the Meole Brace Island.

4. Governance and Political Oversight.

The more the petitioners study the proposals for Meole Brace Island the more we become convinced that this is not, after all, a traffic management scheme but a scheme to justify access to central government funds provided through the Marches Local Enterprise Partnership.

We would ask you to delay this scheme to allow a detailed review to take place in order to address the concerns of the petitioners and produce a new or revised scheme.

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Agenda Item 6



<u>Committee and date</u>
Council
15 December 2016
10.00 am

6

RETURNING OFFICER'S REPORT

Responsible Officer Claire Porter

Email: claire.porter@shropshire.gov.uk

Telephone: (01743) 252763

I Claire Porter, the Returning Officer for the Shropshire Council area, do hereby certify that the person named below was elected as Councillor for the Bishop's Castle Division of the Shropshire Council area:

<u>Electoral Division</u>	<u>Name and Address</u>	<u>Description</u>
Bishop's Castle	Jonathan Peter Stacey Keeley 3 The Ridge Bishop's Castle Shropshire SY9 5AB	Liberal Democrats

Dated this 15th day of September 2016

Claire Porter
Returning Officer
The Shirehall
Abbey Foregate
SHREWSBURY
SY2 6ND

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Committee and Date

Council

15th December 2016

10.00am

Item

7

Public

PORTFOLIO HOLDER ANNUAL REPORT FOR PLANNING, HOUSING, REGULATORY SERVICES AND ENVIRONMENT

Portfolio Holder: Malcolm Price e-mail:

malcolm.price@shropshire.gov.uk

1. STRATEGIC PLANNING

1.1 Local Plan

Work on the Local Plan review has commenced with the completion of the Full Objectively Assessed Housing Need which sets the base level of housing need for the next Local Plan period 2016 -2036. Alongside this, work has commenced on the Economic Development Needs Assessment to ascertain a commensurate requirement for employment land allocations and jobs growth/labour force. It is anticipated that a public consultation concerning strategic options for new development will be undertaken in January / February 2017. Other critical evidence base work to support the review will commence later this year or alongside the publication of strategic options, including a review of Green Belt boundaries, a 'call for sites' to update the Strategic Housing Land Availability Assessment and a Development Viability Study.

1.2 Appeals

Since the adoption of SAMDev in December 2015 the Planning Policy team has taken a key role in Planning Appeals to ensure SAMDev policies are interpreted correctly and upheld by Planning Inspectors. Central to this is the continued defence of the Council's 5 Year Housing Land Supply position in the face of persistent challenge from the development industry; the latest assessment published by the Council in August indicates that we have a supply of 5.97 years.

1.3 Neighbourhood Plans/Community Led Plans

The Neighbourhood Plan process is active across Shropshire, the Shifnal Neighbourhood Plan was overwhelmingly supported in a local referendum which took place on the 15th September. Other Neighbourhood Plans are under way in Market Drayton and Stoke –upon-Tern whilst a cross-border Plan is being prepared with Malvern Hills District Council for Burford/Tenbury Wells. The Community Led Planning process has also resulted in plans from Underdale/Monkmoor/Abbey wards in Shrewsbury and Hodnet Parish being brought forward for adoption by the Council. Consultation on the proposed designation of Pontesbury as a Neighbourhood Plan area is taking place in November/December.

2. STRATEGIC HOUSING

2.1 Enabling & Development

The House building sector in Shropshire continues to recover with 1,347 completions for 2015/16 compared with a low of 724 in 2011/12. This is due to a number of factors including the gradual recovery in the construction industry, lenders being more prepared to lend and progress on some of Shropshire's larger housing sites identified and brought forward through the development of the local plan.

Though encouraging, the Council recognises the wider economic benefits of helping stalled or unviable sites to come forward and has a continuing proactive and pragmatic approach to renegotiating obligations where viability issues are apparent.

The Council helps mitigate one of the principal viability issues by having an annually adjusted affordable housing target rate (10%, 15% & 20%), a rate(s) that reflect the current economic difficulties for developers and landowners and responds to the housing markets movement.

Housing completions are rewarded by Government via the New Homes Bonus (NHB) and Shropshire Council's 15/16 award was again in the top 28 of all English Councils.

As well as monitoring and continuing dialogue with developers, landowners, Registered Providers (RP's) and other building professionals relating to over 500 sites, the Enabling team also administer the highly popular and nationally acclaimed single plot exception site policy that seeks to offer those with a degree of housing need, a strong local connection and a need to remain in a rural community, the opportunity to build a home there. These homes have a restricted value, are secured for the community in perpetuity and fundamentally contribute to the continued sustainability of rural communities and contribute to about 10% of affordable housing delivery in Shropshire.

2.2 Affordable Housing Contributions

Since April 2010, Shropshire Council has required that all planning permissions for an open market dwelling contribute to affordable housing through the provision on site (depending on the site density and prevailing target rate), and/or the generation of a capital receipt (Affordable Housing Contribution – AHC). These have proved to

be a vital source of funding for affordable housing schemes in Shropshire (see Housing Capital Schemes).

As of the 31st March 2016, this policy requirement has accumulated a potential affordable housing capital pot of nearly £14.2m based upon approved implemented/unimplemented planning permissions, ring fenced for local affordable housing projects. There is a time lag before these sums are received and available for use by the Council, as it is only payable by the developer after work has begun on site.

On the 28th Nov 2014, in a Written Ministerial Statement (WMS) Brandon Lewis MP stated that Councils should not seek affordable housing or other tariff type burdensome contributions from developments of 10 or less houses (5 or less in some rural protected areas). This would affect over 90% of planning applications in Shropshire and therefore our ability to deliver affordable housing on site or secure an AHC. Though this WMS was found to be unlawful and removed in July 2015, the Court of Appeal overturned that judgement and the WMS was reinstated as national policy. The Council's current position is that we can no longer automatically seek AHC on all house building planning applications.

2.3 Housing Capital Schemes

Since the Local Government Review in April 2009, Shropshire Council has been proactive in using land, capital and developer contributions collected through historic and current AHC s106 agreements to help fund Registered Providers and the private sector to develop additional affordable housing. To date, the Council has spent £6.4m to help deliver 426 new affordable homes, and allocated further funds to deliver a 122 affordable homes currently on site. Additionally a number of other schemes are under negotiation. Not only is this a much needed addition to the stock of local needs housing, it is also important to note that the total construction value of these schemes amounts to more than £62.0m of much needed investment into the local economy as well as the wider economic stimulus construction sites generate locally. The construction business sector estimates that for every £1 pound directly spent on construction, a further £3 to £4 pounds is brought into the local economy.

2.4 Community Led Housing

Following on from the Sept 2012 Homes and Communities Agency (HCA) award of £1.3m to the Shropshire Council and Marches umbrella community land trust partnership, to develop 68 homes on 5 sites across the Marches, Shropshire Council continued to support and encourage similar initiative and new development opportunities through a New Homes Bonus funded grant initiative to RP's (Providers Grant) and host local parishes (Housing Parish Grant).

The Shropshire Community-Led Housing Providers Grant recognises the additional project costs that providers of affordable housing may experience when partnering on Community-Led schemes. Developing schemes in a genuinely collaborative and engaging way is simply more time consuming than more traditional developer led approaches. The Council is also of the view that rural schemes generally cost more to deliver in terms of high-quality design, materials, service infrastructure and a lack

of opportunity for economies of scale and as such specific additional financial assistance is proposed for schemes demonstrating true community-led credentials. The Shropshire Community-Led Housing Parish Grant acknowledges the fact that as the new Community Infrastructure Levy (CiL) applies only to open market housing, there is no direct financial “reward” to communities that have actively supported and shaped new community-led affordable housing. Plainly the principal benefit is affordable housing to meet local housing need, but the grant provides some financial reward to these communities for promoting and actively engaging with a “Community-Led” project.

The funding for these grants began in 2012/13 and continued until March 2015. Currently a budget exists for 2016/17 and a decision on funding for additional years will be considered in due course.

To date, £2.4m has been spent & allocated to fund an additional 184 homes on contracts worth over £20m. As stated before, these construction schemes add significantly to the local economy (note - these figures are inclusive to those within Housing Capital Schemes above).

2.5 Self-Build

Work continues to progress on this exciting opportunity to bring forward an identified piece of Council owned land adjacent to London Road in Shrewsbury to be developed for up to 48 self build homes. Site investigations and Highway negotiations are complete and an outline application is due for submission in September 2016 following further consultation.

Shropshire Council were one of 12 LA’s nationally to be chosen as Custom and Self Build “Vanguard” authorities by DCLG to pilot and develop a database of those keen to self-build and then seek to bring forward a site such as London Road. The feedback from the Vanguard authorities helped shape the recent Government legislation that seeks to increase this house building sector nationally from 5% to 15% of total delivery.

Shropshire Council has a budget sourced from the New Homes Bonus (NHB) to provide the necessary infrastructure and services and then sell the plots to selfbuilders. The intention is that this scheme encapsulates the complete range of self build, from the aspirational to the affordable. There is a great deal to consider in such a scheme but there are very exciting opportunities to develop this innovative market.

2.6 Challenges for 2016 - 2017

- **Right to Buy** – Right to Buy (RTB) presents a number of significant challenges for the Council, principally being the loss of affordable homes and the inability for the received receipt to provide a replacement home, particularly in rural areas. Latest industry figures indicate for every 8 homes sold through RTB only 1 is replaced. Currently the maximum “discount” a Shropshire tenant could receive is £77,000.00, this discount increases annually in line with inflation (CPI). On a rent of £90.00/week the maximum discount equates to nearly 17 years of rent paid.

The Government has through legislation extended the RTB to tenants of Housing Associations (HA). This has caused considerable concern for these private companies and registered charities as they have business, improvement and development plans based upon long term financial borrowings, borrowed against their asset base (the homes they own), clearly an initiative that diminishes that asset base and at a rate they cannot control, adds considerable uncertainty and nervousness into long term investment plans.

This is of particular concern to the Council as we have to compensate the HA in full for having to sell at a discount. This is done by having to sell the Councils own higher value housing (managed by ST&RH – ALMO) when vacant/void. At present the full methodology is undetermined.

- **Affordable Housing Contributions** – The Minister of State for Housing and Planning, Brandon Lewis MP issued a Written Ministerial Statement (WMS) on 28th November announcing that Local Authorities should not request affordable housing contributions on sites of 10 units or less (and which have a maximum combined gross floor space of 1,000 m²), or 5 units or less in designated protected rural areas, the aim being to boost housing supply on smaller sites by removing “burdensome obligations”.

The scale of impacts due to the rural nature of Shropshire are profound, sites of 11 or more dwellings are the exception rather than the rule, an analysis of submitted applications between Jan 2012 and Dec 2014 (1001 applications) demonstrated that 92% (928) were on sites of 10 or less and 85% (851) on 5 or less.

- **Rent reduction** – The 1% reduction for 4 years in Council/HA rent levels has taken hundreds of millions of pounds out of local HA/ALMO development plans over the medium and long term, resulting in much curtailed development programmes.
- **Starter Homes** – The Housing and Planning Bill has introduced “starter homes” (SH) as an affordable home. There are houses to be sold at 80% of the open market value (OMV) up to max of £250k, and to first time buyers under the age of 40yrs old. The intention is that ALL sites of 10 or more houses must have 20% of the houses as SH’s. The implication of that for Shropshire is that all of our affordable housing policy requirement on a site is taken by SH’s at the expense of affordable rented. The Bill is passed, the details by regulations is not due out until Oct/Nov.
- **Affordable/Social Rent homes** – No longer funded by the Government as the funding concentrates on starter homes and shared ownership and likely to be replaced on development sites by these new initiatives.
- **Welfare Reforms** – Significant reductions in Universal Credit and Housing Benefit (HB) for families that will impact upon their ability to pay the rent. The reductions for single people under 35, means the HB is insufficient for a one bed dwelling. These factors have significance for HA’s and the Council.

3. REGULATORY SERVICES

3.1 Background

The transition of Business Support and Regulatory Service back to Shropshire Council from ip&e has resulted in the regulatory functions which include Environmental Health, Trading Standards and Licensing moving to the Public Health Directorate from 8th July 2016. These services have a shared focus on improved outcomes for the health and wellbeing of people in Shropshire.

Officers and support staff have worked incredibly hard over the past 12 months to maintain service quality levels with a reduced resource base and increases in service demand. Savings of almost £300,000 were delivered through a redesign of the service.

3.2 Significant Service Achievements

- The team continues to respond to a high demand (over 1,300 service requests in 2015/16) for investigation into complaints of domestic nuisance, many of which are highly complex. This work links into the anti-social behaviour function which continues to be a central part of our role, working with partners to raise confidence and protect people from harm.
- The team has actively worked with partners to protect communities. An example is our contribution to the achievement of the Purple Flag status for Shrewsbury which aims to raise the standard and broaden the appeal of the town after 6pm. The Purple Flag assessors commented on a very robust partnership approach and specifically highlighted the regulatory services joint night time patrols as very good. Further work is underway with partners to address the potential tensions between the planning and licensing regime through the development of Night Time Economy Planning Guidance.
- Building on our partnership working, Integrated Community Management (ICM) is being rolled out to the Shifnal and Wem areas of Shropshire. ICM is a new approach to multi-agency working around the safer communities agenda. ICM aims to enhance partnership working around local issues and needs whilst working with communities to enable them to self-help and become less reliant on public services.
- A more robust Hackney Carriage and Private Hire Licensing Policy was implemented on 1st April 2015 to improve safeguarding provisions. As a result of the enhanced focus on public safety there has been an increased workload due more detailed checks being undertaken and significant time spent defending our decisions to refuse or revoke licences when challenged by unsuccessful applicants through the Magistrates and Crown Courts. A programme of safeguarding awareness training for taxi/private hire drivers has also commenced and a successful prosecution was taken against a Private Hire Operator who used an unlicensed vehicle which therefore meant he did not have the necessary insurance.
- The service continues to focus activities based on risk and evidence. As a result of that work we have prosecuted a farmer for animal welfare issues and a failure to remove carcasses in accordance with animal by-product requirements which

resulted in a suspended 18 week custodial sentence and a disqualification from keeping sheep for 10 years.

- We continue to focus on those members of the community who are most at risk from harm or exploitation. As a result we have identified and supported chronic scam victims who have not only lost large sums of money, over £100,000 in one case, as a result of being repeatedly scammed but have also suffered a detrimental impact to their health.
- The work officers carry out with food business in Shropshire (of which there are more than 3000) has resulted in a reduction in the number of complaints from members of the public regarding the standards in food businesses and an increase in the number of premises which meet the Food Standards Agency's criteria of "Broadly Compliant" with food safety legislation.

There has been a significant positive impact as a result of our work to bring empty properties back into use. The most recent high profile example is the Red Lyon pub in Whitchurch which has been transformed from an eyesore on the High Street into 11 new affordable homes and 2 new retail units. The building which has been renamed as the Victoria Hotel will be managed by Shropshire Housing Alliance (SHA) in partnership with the landlord.

4. HOUSING OPTIONS SERVICES

In the first 2 quarters of 2016/17 there were 1,093 homelessness applications of which 901 decisions were completed. Of the 901 decisions, 253 had full duty accepted and 148 had their duty discharged.

The main reasons for presenting as homeless during this period was as follows:

- 198 Parental evictions
- 150 Notice to quits
- 143 Non violent relationship breakdowns
- 133 Fleeing domestic violence
- 118 Asked to leave by other relatives or friends.

During the same 2 quarter period there have been:

- 299 households accommodated in temporary accommodation – of which 202 were accommodated in bed and breakfasts.
- 578 households contacted Housing with a need for advice and assistance – all were under threat of homelessness.
- 2233 households contacted Housing with a need for advice and assistance of those we prevented homelessness in 495 cases.

Improvements in working practices have seen a dramatic reduction in the number of households who have been in priority banding on Shropshire HomePoint for a period longer than 6 months. Ongoing joint work with registered providers as well as changes to in house practice is ongoing.

A pilot to ensure quicker throughput of households in B&B has proved to be a success with a reduction of 42 households to 27 in the first week. A dedicated officer will continue to work alongside a support worker to assist and advise these households with the aim of reducing the use of B&B to zero.

Work is ongoing to improve the 'Housing Solutions Wizard', an online self-help tool enabling clients to access personalized advice about their housing options, to produce a tailored action plan specific to their circumstances.

Housing have been involved in the peer reviews of both Staffordshire Borough Council and Stoke City Council and work has already started to prepare Shropshire Housing Services for its own peer review in 2017 and from there work to obtain Gold Standard through the 10 local challenges.

The Housing Service is now centralised in one office base on the fourth floor in Shirehall. This is in response to reduction in staff numbers to ensure Officers can work together more efficiently in a supportive environment and also reduces the need for office space and associated costs elsewhere around the county. Officers originally located outside of Shrewsbury continue to provide face to face customer appointments as required from hub locations in the County market towns to ensure continuity of service for the public throughout the county.

In partnership with Advance Housing, My Safe Home and Wrekin Housing Trust the first HOLD (Home Ownership for People with long-term Disability) property has been completed in the county. Work continues to imbed this model of work into both Housing and Adult Social Care to promote the model amongst services users. Buy in from all the major registered providers in the County has ensured this model will continue to grow.

Housing Services are currently in the process of developing responses for the DCLG's trailblazer and rough sleeper funding bids. Final entries have to be submitted by 28th Nov 2016. The hope is to be able to expand on current rough sleeper partnership working as well as enable the team to have a more prevention focused aim.

4.1 Private Sector Housing

The service is seeing a significant increase in reports of owner occupied properties which are in serious disrepair and exhibit a high number of Category 1 hazards (Housing Health and Safety Rating System). In many of these cases there are issues of hoarding which is seen as a significant contributor to poor and hazardous home environments. Housing is working closely with Public Protection, Health, Community Mental Health and Social Care services to address this issue through partnered approaches. A joint protocol is being developed for both in-house processes and those with partnering agencies.

Shropshire HeatSavers has been developed as a partnership between Shropshire Council's Private Sector Housing Team, Public Health, NHS, Age UK and Mears PLC, to identify and respond to fuel poverty, the absence of suitable forms of heating in properties occupied by vulnerable people. The Private Sector Housing team host the Shropshire HeatSavers referral hub. HeatSavers receives referrals from health professionals and trained volunteers across the county. The scheme delivers significant savings to Shropshire Council, in particular Adult Social Care as well as Health Services. The team continue to supply radiators to vulnerable clients in need during the winter months. In 2016 Shropshire HeatSavers was shortlisted for 2 Local Government Association awards.

A number of energy efficiency roadshows were undertaken throughout the county using the data collated from the County's market towns. This will lead to more in-depth work prior to the next winter period.

4.2 Disabled Adaptations

By the end of October 2016 the total number of DFG (Disabled Facility Grant) referrals received by Private Sector Housing was 182. Of these there have been 122 approvals and of those 99 completions. Spend to date is £816,957.

The Occupational Therapist's (OTs) and DFG officers continue to work closely together for the benefit of service users. Work is ongoing regarding end-to-end monitoring of the DFG process to include the processes undertaken by Occupational Therapists, Private Sector Housing and Mears (Home Improvement Agency). The aim is to work together as one team to improve the service and journey of the client.

The Home Improvement Agency, HandyPerson Service and Independent Living Centre contracts have been contracted on a 2 plus 1 basis as of 1st September 2016. The team look forward to more collaborative working.

4.3 Housing Support & Contracts

Community Housing Services has successfully appointed new contracts for the Home Improvement Agency, HandyPerson Service, Independent Living Centre, Rough Sleepers Outreach Service and Shropshire Housing Advice and Prevention Scheme. This has resulted in significant savings for Shropshire Council and improved service design and delivery.

A detailed business case has been submitted for the retention of Accommodation-Based and Floating Support funding which expires in April 2017. The aim is to re commission these contracts and Housing Service is continuing to work closely with the two consortia (Shropshire Support Partnership and Sustain Consortium) to ensure ongoing partnership working and future development of the service.

Housing Services are working closely with Children's Services to redesign accommodation for young people in the county. It is hoped this will be completed by the end of 2016. An ideas workshop is taking place at the end of November with guest presentations from agencies outside of Shropshire as well as in house data analysis of current trends.

A new Telecare and Assistive Technology Pilot is being developed in conjunction with Adult Social Care. The aim is to tie in the work undertaken through Adult Social Care, Housing and Occupational Therapists to develop an institution of assistive technology.

4.4 Shropshire HomePoint

Shropshire HomePoint, the county's choice-based lettings scheme provides a one stop customer focused solution to meet the increasing needs and high aspirations of the people of Shropshire. Responsible primarily for operating the county's Housing Register, Property Register and Mutual Exchange Register, the Service is recognised as one of the most effective and efficient in the country, with record performance and largely same day / next day processing of workloads.

Shropshire HomePoint is currently developing an innovative real-time automated Dashboard and ScoreBoard Performance and Data Management System.

In 2015/16 over 1,696 applicants and their families were rehoused through Shropshire HomePoint and many more were helped to find alternative housing solutions.

5. WASTE MANAGEMENT

Shropshire Councils waste management services are provided through a 27 year PFI Integrated Contract with Veolia Environmental Services Shropshire which covers collection, transport, treatment and disposal of municipal waste. The contract began in 2007.

5.1 Collections

The collection service is in three parts, refuse, dry recycling (paper, glass, metals and plastics), and compostable waste. With approximately 135,000 properties in the county and each waste stream being collected once per fortnight, this means over 10.5 million collections per year. In terms of performance under the contract, results have generally been good. The number of missed collections has been consistently low. The figure for the recycling and composting rate for 2015/16 is yet to be finalised but will be around 51%.

In April 2016 Veolia and the Council reached agreement over a package of changes aimed at increasing the recycling rate and reducing the overall cost of the waste service. The package included three key changes to the kerbside collection service.

The first was an extension of the existing food waste collection service to cover the Shrewsbury area. This was implemented in June 2016, and enables Shrewsbury area residents to add food waste to their garden waste bins as happens in the North and South Shropshire areas. Leaflets explaining how to use the service were delivered to each household, along with a kitchen caddy and starter roll of caddy liners. The food waste and garden waste mixture is sent for In-Vessel Composting at the Agripost facility near Ford. The food waste collections will be extended into the Bridgnorth and Oswestry areas after the construction of an IVC facility which will be the final piece of infrastructure built under the PFI contract with Veolia.

The other changes to the collection service are both associated with dry kerbside recycling and will be rolled out across the county in 5 phases from October 2016. Cardboard will be added to the list of materials that are accepted, and this will be collected with paper in a 75 litre reusable sack, and the other recyclable materials (glass, plastics, and metal containers) will be collected together in boxes, mixed in whatever way the residents find convenient. The rollout timetable for this new service is given below.

Area	Start Service
South Shropshire	5 December 2016
Oswestry	6 February 2017
Bridgnorth	27 February 2017

5.2 Household Recycling Centres (HRC's)

Veolia operate 5 HRCs in the county where residents can bring their household waste for recycling or disposal. These can be found in Shrewsbury, Whitchurch, Oswestry, Bridgnorth, and Craven Arms and together they have received around 35,000 tonnes of waste in the last year. They also act as transfer stations for the waste brought in by the collection service as well as litter and road sweepings from the Councils Street Cleansing contractor Ringway. Over 30 different waste streams are segregated for recycling at each site with an average 54% recycling and composting rate for last financial year, excluding soil and rubble. This shows an improvement on the 52% for the 2014/15 year.

Work on an extension to the Shrewsbury HRC was completed in March as part of the Energy Recovery Facility development. The extension has increased the overall size of the site by around 50% and has enabled some material streams to be moved to a more appropriate position outside the covered area, including asbestos, plasterboard, soil and rubble. This has in turn freed up more space in the indoor section of the site for other materials.

5.3 Battlefield Energy Recovery Facility

On September 10th 2016 the Battlefield ERF will have completed its first full year as an operational contract facility. The main outputs from the plant are electricity, sufficient to power 10,000 homes via the national grid, and ash, which is recycled via use as an aggregate in the construction industry.

The first planned maintenance shutdown was carried out in January 2016 and was completed in 11 days against an expected 15 days. Fine tuning of various processes was completed during this time and this has resulted in the plant exceeding targets for availability and electricity output.

Emissions from the plant are monitored continually by Veolia and the Environment Agency. The information is also publicly available at

<http://www.veolia.co.uk/shropshire/facilities-services/facilities-services/energywaste/battlefield-emissions-air-data>

6. PLANNING SERVICES

Planning Services

The Planning Service has experienced a number of key changes in the last 12 months. These include structural changes arising from the return to Shropshire Council from secondment to IP&E, and the disaggregation of the former Business Support & Regulatory Services from June this year. As a consequence Planning Services are now separate from Public Protection regulatory functions and sit within the Places & Enterprise Directorate alongside Strategic Planning, Economic Growth, Broadband and Property functions. The service will report through to Gemma Davies

the new Head of Economic Growth who will start her role with Shropshire Council in the new year.

The Planning Services functions include Development Management, Building Control, Natural & Historic Environment Teams, Land Charges, Street Naming & Numbering, Local Land & Property Gazeteer and Planning Obligations Monitoring.

Development Management

A thorough internal review of the Development Management function was undertaken early in 2016. The process of delivering sustainable development across the County can be challenging and controversial, it is time sensitive and involves a wide range of stakeholders who may have different objectives, it also lies at the heart of the council's broader aspiration to deliver sustainable economic growth. The review acknowledged that planning performance had been impacted by a perfect storm of circumstances, downward pressure on resources and public sector cuts coinciding with economic recovery and a significant number of speculative planning applications prior to the adoption of the SAMDev site allocation plan in December 2015. Temporary additional resource continues to support the team and a series of recommendations and learning points from the review have been identified. These have been prioritised for action and are being addressed through an implementation plan.

Planning processes are time sensitive and the Government has aligned its performance measures with those adopted by Shropshire a number of years ago, with the primary focus on measuring the percentage of applications determined in a time frame agreed with the applicant. This measure is qualitative in that it is a reflection of the requirement established in the National Planning Policy Framework (NPPF) at paragraph 187 to work proactively with applicants to secure positive outcomes where possible.

Planning performance had suffered through the first two quarters of 2015/16 but with additional resource improved significantly in the first quarter of 2016/17 with over 80% of major planning applications, 84% of minor applications and 94% of other applications being determined in an agreed time frame. Overall 92% of planning applications are approved reflecting the effort placed on resolving issues prior to determination of an application.

Another measure of success is the Council's performance with planning appeals. Government figures confirm that Shropshire received the third highest number of planning appeals nationally in 2015/16, much of this due to speculative planning applications for sites outside the SAMDev Plan and yet the Council was successful in 82% cases over this period. The number of appeals has increased from 64 in 2013/14 to 155 cases in 15/16 and over 100 appeals received to date for 2016/17. The number and complexity of planning appeals places significant resource demands on the service.

The Council has put resource into challenging planning appeals where it is considered that an Inspector's decision is flawed and might undermine key principles of the plan. On 20th October Mrs Justice Lang heard the Council's challenge to the

Secretary of State's decision to grant planning permission at appeal for 68 dwellings on land at Teal Drive Ellesmere. The judgment handed down granted the Council's application to quash the appeal decision.

A member led Task and Finish Group is now looking at planning processes and the strategic question of how Development Management can contribute to sustainable economic growth across the County.

Building Control

Building Control provides statutory regulation, advice and added value services on behalf of the council. For Building Control this year has been one of responding to the joint pressures of continuing growth in the construction industry and operating in an increasingly competitive environment. Pressures are significant in a highly competitive environment and although income to the service has stabilised a number of staff have left due to more attractive offers from the private sector leaving the establishment team in a borderline viable position. A business case to redesign the team for future resilience has been approved and vacant posts are now being recruited to.

The building control team has this year played a key role in managing the resolution to a number of high profile cases involving dangerous structures, a statutory function of the Council including a fire damaged hotel in Alveley and a listed building near Hinstock significantly damaged by a heavy goods vehicle. As a consequence training and development for officers across the council has been provided to assist with a broader understanding of dealing with dangerous structures.

Natural & Historic Environment

This team includes building conservation, archaeology and arboricultural functions. The team has continued to process statutory functions within service standards throughout this year for works to protected trees and hedgerows as well as proposals for listed building consent and development affecting conservation areas. Officers have been proactively involved in targeted action to safeguard historic buildings and sites, projects to deliver regeneration such as Shrewsbury Flax Mill now granted planning permission, Brogyntyn Hall in Oswestry and in helping to bring forward projects where there are buildings at risk such as the Grade I listed Pitchford Hall near Acton Burnell. The team are also involved in the redevelopment of key opportunity sites in historically sensitive areas where conservation led regeneration will be a key driver for economic growth.

Land Charges

The Land Charges team operates in a competitive environment and generates fee income on a cost recovery basis for the processing of land and property searches. For 15/16 the team exceeded its income target which suggests that the property transaction market is buoyant. Notwithstanding this there is strong competition from the private sector and the resilience of the team has been stretched throughout the year.

Work is by the Land Registry to transfer statutory responsibility for the local land charges register. It remains to be seen what the impact will be for land charges provision within Local Authorities.

Street Naming & Numbering /LLPG

Street naming and Numbering is a statutory function delivered by a small team within the service. The Local Land and property Gazeteer function is responsible for address matching and positional accuracy. The figures we are monitored against by Geoplace are currently: -

VOA Council Tax	99.99% matched
VOA NDR	99.98% matched
Royal Mail postal address file	99.8% matched.

Geoplace validation for August 2016 reported no recurring errors in the Shropshire and LLPG reporting Shropshire Council LLPG as Gold standard.

Planning Obligations Monitoring

As part of the changes to team structures the Planning Obligations Monitoring team is now part of the Planning Service. It is responsible for collecting and monitoring financial and non-financial planning obligations. The current position is that £3.1M of funds have been collected in 2015/16 in respect of financial obligations associated with planning applications and £22.8M is currently outstanding. This position will however change as a result of the Governments Written Ministerial Statement advising that contributions should not be sought for sites of 5 or less houses in designated rural areas. As a consequence applicants are now seeking to vary planning applications so as not to pay the affordable housing contribution.

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

Cabinet Member (Portfolio Holder)
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Mal Price – Planning, Housing Regulatory Services and Environment

Local Member

All Members

Appendices

none



Committee and Date
Council

15th December 2016

10.00 am

Item

8

Public

PORTFOLIO HOLDER ANNUAL REPORT FOR RURAL SERVICES AND COMMUNITIES

Portfolio Holder : **Cecilia Motley**
email: cecilia.motley@shropshire.gov.uk

1. Transfer of assets and services to town and parish councils

In early 2016, in response to challenging financial forecasts, Shropshire Council started to work with the county's town and parish councils to explore the potential for a devolution of local services and assets from Shropshire Council to local councils. The services and assets in scope include libraries, leisure centres, museums and amenity areas. Good progress is being made on agreeing these transfers and we are using the additional 12 month period that has been added to the timeline for transfers to be made, to support the existing activity and also to further develop – through engagement and consultation – how we will deliver these services in partnership with communities and partner organisations.

Members, town and parish councils and stakeholders are working together to both deliver and shape the council's ambition to transfer the management or ownership of community based services and assets.

Regular Town and Parish Council Forum meetings are being held, chaired by the Portfolio Holder. This provides an opportunity for issues of shared importance, particularly the programme of transferring the management responsibility for the delivery of local, community based services from the principal authority to local councils, to be discussed and developed.

2. Shropshire Association of Local Councils (SALC)

Shropshire Council continues to support SALC with a small annual grant and hosting their office within Shirehall. There has been a close working relationship between the council and SALC over the last year as we have developed together the future role of town and parish councils in the delivery and management of local services and assets. Representatives of Shropshire Council have regularly attended SALC Executive meetings and the Local Area Committees to speak on a range of relevant issues. There are opportunities for the council and SALC to co-create a training programme for local councils in the coming year – covering the areas that will evolve as the councils take on more responsibility for service delivery and asset management.

3. Voluntary and Community Sector

Work with Shropshire's Voluntary and Community Sector (VCS) Assembly over the last 12 months has highlighted significant changes within the voluntary sector and local research has provided additional evidence of those changes. Key issues include:

- Changes in the profile of Shropshire's volunteer workforce.
- The impact of national policy and increases in demand for voluntary sector services and support.
- The impact of economic changes on the voluntary sector workforce including increased employment costs, the loss of grants, increased competition for public service contracts and the rapid increase in VCS service closures.
- Changes in the needs of people using VCS services (for example increased risks as a result of benefit changes, debt, increases in scams, financial abuse, social isolation etc.).

Many of these issues have been explored through the work of the VCSA Board and the Change and Compact Group (a group set up to allow commissioners and voluntary sector representatives the opportunity to work together on new policy).

Key areas of work the VCSA Board has been involved in include:

- Ensuring the voluntary sector is engaged in work to deliver the Social Inclusion element of the Marches LEP's European Structural and Investment Fund (ESIF) Strategy.
- Working closely with public health to support VCS engagement in preventative initiatives such as the pilot of Social Prescribing and the Healthy Conversation event designed to provide up to date information for all organisations delivering support, information and advice.
- Enabling VCS input into the Sustainability Transformation Plan and its different partnership groups and documents such as the STP Neighbourhoods Group.
- Leading a sub group to support the careful handling of public awareness concerning the pressures local authorities are under and the impact that would have on the delivery of VCS led preventative services.
- Work to maintain relationships with the Police and Crime Commissioner's Office in order to deliver shared outcomes such as victims, tackling the financial abuse among older people, tackling scams and increasing safety etc.

There has been an increase in demand for voluntary sector representation over recent months. VCS representatives attend over 40 different meetings and partnership groups. Areas of joint working that have seen an increase recently include mental health and the Sustainability Transformation Plan.

The VCSA has identified its priorities over the coming year to include:

- Infrastructure and sustainability (recognising the support needs of small groups, and volunteers and supporting social action).
- Impact (including working more closely with University Centre Shrewsbury to assess organisational needs, access research and implement improved measurement).
- Strengthening the voice of the voluntary sector and working in new ways to maintain a strong Assembly.

4. Change and Compact Group

The Group has been focusing on:

- Ensuring the Compact and good practice in partnership working continues to be implemented at a time of significant change and limited resources.
- Working to share information and resources across sectors including the Council's Commissioning Strategy and supporting documents including decommissioning guidance.
- Sharing information across sectors in the development of needs assessments, market assessments and Market Position Statements.
- Highlighting the need for infrastructure to support social action and participating in the Social Action learning programme led by the Cabinet Office.
- Undertaking research into volunteering through a VCS survey and evidence base.

5. Rural Services

Rural service challenges include fairer funding for rural areas; inadequate digital and physical infrastructure, lack of affordable housing, fuel poverty, risks of social exclusion, and an ageing demography. For example, Shropshire has a disproportionately older population, with resulting challenges for commissioners and providers of services including social care and community mental health care.

For Shropshire, a number of key channels have been utilised in the last year through which to seek to not only alert Government to the precise nature and dimensions of the challenges faced by Shropshire and other rural county authorities, but also provide hard evidence and cogent argument to inform and aid equitable and inclusive decision making across Whitehall. This has also helped to raise the authority's profile at national level.

Key areas include:

- Responses to a number of parliamentary select committee inquiries with regard to the digital economy; digital skills; the Local Plans Expert Group recommendations, "Countries of Culture" inquiry into regional arts funding and regional impact of local authority settlements on the cultural sector; and rural tourism;
- Responses to calls for evidence from CLG and Defra with regard to Local Plans, and to rural planning and farm diversifications, linked to the Government's measures for economic growth outlined in the Rural Productivity Plan;
- Rural demographic and financial data to aid input to Greg Clark MP's visit to Shropshire;
- Bespoke sessions with the county's MPs to reinforce the need for assured and comprehensive broadband and mobile phone coverage throughout the county and in particular the final 10% of hard to reach areas.
- Policy input to Ofcom work on developing a Universal Service Obligation (USO) for broadband;
- Local policy work on BT payphone retention, which is helping to identify where issues remain with mobile phone coverage, as well as where rural communities have issues or concerns such as over road safety, alongside opportunities to work together. An example of this is the work done by officers from across the council with parish councils on adoption of local K6 red kiosks and subsequent installation of defibrillators, to provide a resource for visitors to the county as well as for the rural community itself.

5.1 Local Government Association

The Portfolio Holder has been a Shropshire Council representative on the Local Government Association for a number of years and is a past member of the LGA People & Places Board. She regularly attends LGA meetings in London and the Local Government Conference.

5.2 County Councils Network

Together with the Leader and Chief Executive, the Portfolio Holder represents Shropshire Council on the County Councils' Network, attending regular meetings in London and the CCN Conference, which took place in early November in Guildford. This year's Conference demonstrated cross-party concern about government funding levels, the impact of full retention of business rates, the rising cost of adult social care provision and imminent publication of NHS Sustainable Transformation Plans and their likely effects on local health service provision; together with the overall uncertainty of the effect of Brexit on county economies.

5.3 Rural Services Network

The Rural Services Network (RSN) is a Special Interest Group of the Local Government Association representing the interests of rural service providers and the communities that they serve. Its membership comprises currently some 154 Local Authorities and over 100 other public service providers. The Portfolio Holder has represented Shropshire Council on RSN since 2009 and has chaired the organisation since 2013.

Since its foundation over twenty years ago, RSN's workload, influence and membership has grown exponentially. With the demise of the Commission for Rural Communities and the LGA Rural Commission, RSN is now the only remaining organisation which represents the views and concerns of rural England to government, and works to disseminate information to government on the effects of national policy on rural areas. Its local authority membership includes Unitary, County and District Authorities. RSN has also built up a Rural Services Partnership grouping which is made up of public service bodies, town and parish councils and businesses with rural interests. It runs an annual Rural Health Conference and collaborates with the Rural Housing Alliance on an annual Rural Housing Conference; both of these are increasingly well attended. RSN has close links with regional Universities and holds a series of four seminars annually, covering topics of particular concern to rural communities such as fuel poverty and public transport. It has an informative website, which addresses a wide range of rural issues, topics and news, with around 4,000 subscribers.

In 2015 RSN organised a Rural Conference to discuss issues of rural concern. This was repeated in 2016 and was so well received that it has been decided to confirm it as an annual fixture.

RSN has close links with the All-Party Parliamentary Group on Rural Affairs, for which it provides the secretariat and a great deal of research and information. This, together with its offshoot the Rural Fair Shares Group, has worked extremely hard to influence government on the issue of the disparity in successive funding settlements between rural and urban areas and the need to close the funding gap. They have instituted parliamentary debates, raised questions in the House and generally lobbied government Ministers in this cause. Their very active Chair, Graham Stuart MP, has had to stand down due to promotion to a Government post; his place has now been taken by James Heapey, MP for Wells.

RSN is working closely with the County Councils Network and District Councils Network to establish shared principles on issues of mutual concern. All recognise the strength of aligned responses to consultations; to this end all three organisations recently responded to the government for reforming local government finance and moving to a system based on 100% retained business rates.

The future programme for RSN will be focussed on working closely with the Rural Fair Shares Group, All Party Parliamentary Group and in particular other organisations with rural interests, to establish a common negotiating position of influence in the post-Brexit climate. RSN will continue to put pressure on Government in respect of retaining Transition Relief before the next local government financial settlement announcement at the end of the year; and the need for a fair formula for retention and top-up of business rates.

5.4 Arts Council

The Portfolio Holder was appointed to the Arts Council West Midlands Regional Board in 2012. Following reorganisation of the organisation and reduction from nine regions to five area councils, she was re-appointed as a Member of the Arts Council Area Board covering both West and East Midlands. She is a rural local government representative on the Board. In that capacity she has been invited to contribute to a number of Arts Council England advisory groups:

The Rural Stakeholders' Group, which was set up to consider how arts funding could be used more effectively to stimulate arts and cultural activities in rural areas and explore the barriers to participation in the arts in rural areas with poor connections and access.

The External Advisory Group, which consists of senior arts practitioners, theatre, museum, library and arts venue directors, and acts as a sounding board for the Arts Council in preparing submissions to Government for retaining arts funding at least at current levels.

The Museums Review Group, which was asked to consider appropriate representations for the Arts Council to put forward as evidence to the Department of Culture, Media and Sport White Paper on the future viability of both national and regional museums.

Membership of the Midlands Board and participation in the Advisory Groups has offered a unique opportunity to work with senior Arts Council officers and to make the case for funding and support for rural arts and culture. It was very good to see the interest shown in Shropshire's arts offer by the recent visit to Shrewsbury Museum of the Arts Council Chief Executive, Darren Henley, and Peter Phillips, Chair of the Arts Council Midlands Board, as well as senior officers, who met with Shropshire's Leader, Chief Executive, Director of Place and Enterprise and representatives of Shropshire arts organisations.

Future work for Arts Council Midlands includes consideration of applications for the new round of National Portfolio Organisations (NPO) funding. Shropshire has four arts organisations with NPO status at present; doubtless they will be re-applying to maintain their funding.

The Portfolio Holder holds regular liaison meetings with the Shropshire National Farmers' Union (NFU) and the West Midlands/Shropshire Country Landowners and Business Association (CLA). These meetings are constructive forums for exchanging views, and are attended by Shropshire Council officers who advise and update on Shropshire Council policies particularly with regard to planning, housing, broadband rollout and any other areas of interest or concern. Both organisations have said they find these meetings helpful and increase their understanding of how Shropshire Council works as well as the constraints under which it has to operate.

5.5 European Funding Programmes

The Portfolio Holder represents Shropshire Council on the Marches Local Enterprise Partnership European Structural Investment Fund, which is overseen by representatives of DCLG; and the Shropshire Hills LEADER Local Action Group, chaired by Cllr. Tim Barker. Both these programmes suffered some hiatus in the lead up to, and the aftermath of, the BREXIT vote; however, both are now back on stream and awarding grants.

Similarly, the Portfolio Holder sits on the European Rural Development Programme national Programme Monitoring Committee, which also underwent a hiatus but is now back on track.

There is some urgency in all these programmes to allocate funding as expeditiously as possible, although the Government has undertaken to underwrite funding allocations until 2019.

6. Local Joint Committees (LJCs)

The Local Joint Committees have continued to meet over the last year through a combination of business and public meetings. The public meetings have been an opportunity for the council and its strategic partners to engage with residents on key issues and for feedback on these to be received. The business meetings are used to plan public meetings and are also a good opportunity for representatives of all the councils within the LJC area to discuss common issues and hear collectively about key local developments. A number of LJCs have continued with the locality commissioning of youth activities within their areas – playing a role in assessing local need, designing commissioning intentions and monitoring the delivered activity. This will continue into 2017.

7. Big Conversation

Work on the Big Conversation has continued since the programme was launched in late 2015. Phase one saw the delivery of a survey, events, focus groups and discussions within a range of different forums. Over 2,270 residents took part in the Big Conversation survey. The survey asked people which services they valued most and least, and the services they believe might be delivered in other ways; e.g. by volunteers or local communities. A further 177 people were involved in more detailed conversations at events, meetings and workshops.

The second phase of the Big Conversation focused on using all the feedback obtained. It included:

- Additional detailed analysis to better understand the feedback gathered.
- The development of a free engagement toolkit.
- The production of a communications toolkit to support Shropshire Council in its work to keep people up to date with the financial challenges being faced.
- Incorporation of the findings into the development of the draft Corporate Plan.
- The development of a strategic action plan to implement the findings

The strategic action plan highlights all the work taking place to respond to the feedback received. Whilst projects are delivered and changes implemented, the Big Conversation project group has been developing the resources needed to update people on what has happened in the last 12 months and to plan methods of identifying any gaps or new ideas.

Phase three of the Big Conversation will include development of the website, a leaflet, a new survey and focus groups. Each will summarise what we learnt, highlight what is happening as a result of that learning, and explore what could happen next. The aim of phase three of the Big Conversation is to keep lines of communication open and encourage feedback, particularly recognising that there are people who either:

- a) have not had as much opportunity to participate in the Big Conversation to date; and/or
- b) are more likely to be impacted by changes to the way public services are delivered or by the loss of some services (e.g. those who may be at greater risk of being digitally or economically excluded).

We will give everyone another opportunity to get involved through a range of engagement opportunities. The objectives of the work due to take place over the coming months include:

- To communicate what the Council has done as a result of the feedback it received including how those findings have been used to inform the Council's Financial Strategy and draft Corporate Plan.
- To obtain feedback on identified priorities and the direction set out in the Corporate Plan (including the three high level outcomes; Healthy People, Resilient Communities and Prosperous Economy).
- To obtain project partners to assist in the delivery of engagement. Project partners will be commissioned because they have the community networks necessary to engage with those groups who were under-represented in Phase 1 (including children and young people, those who are digitally excluded and those whose disabilities may have prevented them from taking part in the conversations to date).
- To better understand the likely impact of changes and how service change can be made in a way that supports greater independence and community resilience.

8. Equalities and Social inclusion

8.1 Corporate Equality Objectives Action Plans are required to be published by local authorities at a minimum of four yearly intervals. Our Cabinet endorsed the 2016/2020 Action Plan at its meeting on 13th July 2016. The Shropshire Council Equality Objectives Action Plan is a key strand of the corporate and partnership approach of Shropshire Council towards continuing compliance with the Public Sector Equality Duty (PSED).

8.2 The Deputy Portfolio Holder, Cllr Gwilym Butler has been appointed Member Champion for Equalities and is leading on the promotion of the Equality Objectives Action Plan with local partners, including town and parish councils and the VCS.

8.3 The **progress that we are making** here in Shropshire on equality, diversity and social inclusion includes actions across the following three areas:

- *publish equality and diversity information more visibly;*
Example: updated material on the Council website including evidence about service user and

workforce diversity, guidance for service areas assessing equality impact and links to information for communities, such as support for hate crime support and those wishing to support Syrian refugee family resettlement.

- *collect and analyse equality and diversity data more proactively;*
Example: increased use of Equality and Social Inclusion Impact Assessments by service areas, to ensure that equality data is being collected on an ongoing basis and considered when service changes are planned, and that there is ongoing engagement with people in Protected Characteristic groupings and people at risk of social exclusion.
- *work with partner organisations on equality-related issues.*
Example: working with primary schools to commemorate Holocaust Memorial Day through the annual planting of cherry trees and the continued involvement of inter faith forums, after a first cherry tree was planted in 2015.

9. Shropshire Hills Area of Outstanding Natural Beauty (AONB)

The context of continued structural change in local government and the broader working environment has led the Shropshire Hills Area of Outstanding Natural Beauty Partnership and the respective local authorities, Shropshire Council and Telford & Wrekin Council, to recommend that the future interests of the AONB are best served by the creation of a new independent AONB body.

A detailed Business Case in support of the creation of a Conservation Board, a model enabled by the Countryside and Rights of Way Act 2000, was considered and approved by both Councils and the Partnership in the Autumn 2016. The creation of a Conservation Board is achieved through a Statutory Instrument laid before both Houses of Parliament. A formal request was made to Defra in November, who lead the process and make the final decision.

It is considered that a modern, lean application of a Conservation Board will provide the strongest organisation possible for the long term future of the AONB. The new management structure will provide opportunities to tap into the capacity and skills of Board members, to work alongside the new Shropshire Hills AONB Trust charity, for enhanced commercial activity, to hold property and other assets, and above all the prospect of long term financial sustainability.

As a long-standing member of the AONB Partnership and Management Boards, the Portfolio Holder has been closely involved with the negotiations and planning for the new Conservation Board, and has taken on the role of Vice-Chair of the Transitional Conservation Board.

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

Name and Portfolio of Executive Member responsible for this area of responsibility:
Cllr Cecilia Motley, Portfolio Holder for Rural Services and Communities

Local Members:
All members

Appendices:
None

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<u>Committee and Date</u> Council
15 th December 2016
10.00am

<u>Item</u> 9
Public

PORTFOLIO HOLDER ANNUAL REPORT FOR BUSINESS AND ECONOMY

Portfolio Holder: Steve Charmley
e-mail: steve.charmley@shropshire.gov.uk

Economic Growth

Marches Local Economic Partnership (LEP)

The national role of LEP's continues to act as a lead in driving economic growth including a remit to co-ordinate housing, economic infrastructure, business support and skills. The Marches LEP is a key partner in the Midlands Engine, Midlands Connect and is a non-constituent member of the West Midlands Combined Authority. Shropshire Council continues as the accountable body for the LEP.

The Marches LEP has launched the virtual Marches Growth Hub in the autumn of 2015, offering a single point of contact for businesses. There are also three physical Growth hubs in the Marches and Shropshire Council operates the Growth Hub at the Food Enterprise Centre in Battlefield. There is further information on this later in the report.

Tackling the skills gap is a priority for the LEP. The Marches Skills Board is delivering the Marches Skills Plan and works with Higher Education partners including University Centre Shrewsbury. Investment is being made in training for advanced manufacturing and engineering sectors.

The LEP secured over £83 million from the 2014/5 Growth Deal and work is now underway on two projects, part funded by that money; the first phase of the Shrewsbury Integrated Transport Project and pre-construction design work on the Oxon Link Road. Further investment has been made into the Connecting Shropshire Broadband programme.

The Marches LEP bid for Growth Deal 3 funding and the final outcome of the bid will be known after the Autumn Statement on 23rd November. The projects for Shropshire were for improvements in Colleges enabling improved skills training and the Shrewsbury Flaxmill Maltings.

Enabling growth in Shropshire

The Council and the University of Chester have commissioned IPPR North, part of the Institute of Public Policy Research, a much respected public policy body, to prepare a new Economic Vision and Strategy for Shropshire.

The preparation of the Vision has included taking work commissioned by the Council from Oxford Economics to update key data and trends on economic growth; responses from facilitated workshops and the Strategic Economic Plans of the LEP and West Midlands Combined Authority to provide an evidence base for their recommendations.

The Vision will underpin the Council's approach to developing and supporting the County's economy and the action plans that will be delivering the Vision. The Vision and Strategy is being finalised with a launch by way of a Lecture by Ed Cox, the Visions author, planned in January 2017.

As a non-constituent member of the West Midlands Combined Authority (WMCA) the Council is engaging with a range of workstreams including strategic planning, future growth and the Land Commission. The WMCA published its Strategic Economic Plan in June 2016 and our work is focussed on how we can both support and benefit from the Plan proposals.

The Council is working with the Northern Gateway partnership, made up of authorities in Cheshire and Staffordshire, who are developing growth strategies around HS2 and the planned hub station at Crewe. The Crewe hub will have an impact on future growth in the northern part of the County. The Partnership has been awarded further funding by the Government following the announcements in November 2016 on Phase 2 of HS2.

The Council is also working with partners on two key sites, Ironbridge Power Station and Clive Barracks at Tern Hill to realise the longer term housing and employment opportunities provided by these sites.

The forthcoming partial review of the Local Plan, which will be starting in the New Year with a strategic issues and options paper, will enable the Council to reflect these key proposals and sites within the new plan for the period to 2036.

Shropshire Business Board

Shropshire Council continues to work in partnership with Shropshire Business Board to enable growth in the County. The Business Board continues to meet on a regular basis and provides useful business insight and advice to the Council and the Marches LEP. The Chair of the Board, Mandy Thorn MBE, is also deputy Chair of the Marches LEP.

The Board includes representatives of key sectors in the County, Agriculture and Agri tech, Engineering, Creative and Digital, Professional Services as well

representatives from Higher and Further Education and the Council through the Portfolio Holder for Economic Growth.

The Board has met six times in 2016. One of the meetings was dedicated to a stakeholder discussion session with IPPR North as part of their development of the Council's Economic Vision. The meetings have included presentations on key economic issues from the Bank of England, the Apprenticeship Levy, the Marches Growth Hub, and Business Rates. Each meeting includes a valuable round table session to enable Members to share issues of interest in their specific sectors.

Supporting business

The Marches Growth Hub Shropshire was launched in March 2016, a key action delivered as part of Shropshire's Economic Growth Strategy. The Growth Hub is a partnership between Shropshire Council, the Marches LEP, University Centre Shrewsbury & Shropshire Business Board; featuring a web site, online and face to face support for businesses of all sizes. The Growth Hub brings together all the national, regional and local business support offers into one place.

The Physical Hub is located within the Shropshire Food Enterprise Centre in Shrewsbury and managed by Economic Growth staff with access to support, meeting space provision, hot-desking and café facilities. The Hub is also available to use the Business Lounge and facilities in the University Centre Shrewsbury. This free service provides information outreach across our market towns and rural areas, and is involved with over 30 networks and delivers business support alongside key partners such as UKTI, Good 2 Great and Shropshire Chamber of Commerce. The Physical Hub has hosted 80 1:1 sessions and group events since the launch such as social media training, exporting and access to finance events. To date over 550 businesses have benefitted from the service.

With access to support through EU funded growth programmes e.g. Business Growth & Marches Growth Hub projects, 6 Shropshire businesses have already successfully submitted funding applications; contributing to £600K of EU funded investment into businesses across The Marches LEP. Growth Hub outreach events have already been held in Bishops Castle, Bridgnorth and Oswestry and more are planned across the County.

Our Business Engagement Strategy has targeted support to our larger companies. With a Council single point of contact for each business, this service provides access to free early support, most commonly around planning application & highways advice; but also from the UK Department of International Trade where relevant. In 2015/16, capital investment for expansion exceeded £24.5M across Shropshire from new and existing foreign owned companies. This resulted in 127 safeguarded jobs and the creation of 135 new jobs. The pipeline projects for 2016/17 onwards look promising, despite the cautionary approach being taken by many of our businesses due to the uncertainty resulting from the Brexit result.

To further support the Business Engagement approach and in line with the Economic Growth Scrutiny Member Task & Finish Group work on inward investment; the new invest in Shropshire website www.investinshropshire.co.uk has been soft launched this November. The site showcases the Shropshire 'offer' and aims to 'sell' Shropshire as a business location. The site highlights projects and activities that are being implemented for business benefit and promote the Economic Growth Service.

The information on the website is targeted towards: indigenous businesses who are looking to expand and/or to relocate within Shropshire, businesses from outside the County looking to relocate and to potential national and international financial investors.

2014-2020 EU programme

The new EU programme (€120m for the Marches) is now operational and a range of projects have been approved which will contribute to economic growth in Shropshire including project support for businesses to start up, develop and grow. Shropshire Council officers have led on a number of the EU themes on behalf of the Marches as well as supporting projects directly or through the Technical Assistance project which the council is the accountable body for to ensure the priorities for Shropshire are addressed. The Brexit decision has had implications for the programme and will not be fully understood until after the Autumn statement and when Article 55 is issued to the EU commission.

Key sites and infrastructure

The Economic Growth team continues to work with highways and development management colleagues and partners on the development of the Sustainable Urban Extensions in Shrewsbury and Oswestry; and with Highways England, Network Rail and private landowners on opening up new employment land in Craven Arms.

The Council submitted proposals as part of the Marches LEP Local Growth Fund 3 submission for funding for infrastructure for the Council owned Oswestry Innovation Park at Mile End. The Council also continues to work with Standard Life Investments on their preparation of alternative proposals for the Riverside Shopping Centre in Shrewsbury.

Following the announcement of the closure of Clive Barracks at Tern Hill by 2022 the Council is working with the Defence Infrastructure Organisation on a future plan for the redevelopment of the site. The Council is also working with a 'Task Force' established by the Rt Hon Owen Paterson MP that, includes Shropshire Council and the local Parish Council representatives and other stakeholders with an interest in the redevelopment of the site.

The Economic Growth team is also working with Uniper on the future options for the Ironbridge Power Station site with a stakeholder meeting planned for mid January 2017.

Shrewsbury Business Park continues to attract new occupiers including a newly opened 3,000 sq. ft. Co-op convenience store and construction of a new 10,000 sq.ft office building has commenced.

In order to bolster both existing and future capacity Scottish Power Energy Networks are planning an upgrade of the 132kv network between Oswestry and Wem. The Council is supportive of the upgrade in terms of the benefits to business and residential consumers in the north of the County.

Historic England (HE) is working closely with colleagues from Shropshire Council's Economic Growth team to progress the regeneration of the 2.7ha Flaxmill Maltings masterplan site. The first stage of works to create a new visitor centre is now complete with the Friend of Flaxmill Maltings opening and managing the public space and activities.

A significant amount of work has been undertaken to develop a revised second stage scheme which includes the restoration of the internationally significant Main Mill with the ground floor dedicated to interpretation and activity space and upper floors allocated for commercial use. The scheme has recently been granted planning permission by the Council.

Although £12.8m Heritage Lottery Fund (HLF) has already been awarded, this was based on an original application which was submitted by Shropshire Council. It was not possible to deliver that scheme due to tight ERDF deadlines, an extended programme and increased costs.

The revised scheme submitted by HE to HLF summarises the main changes and requests an increased grant. HLF Trustees visited the site on the 28 November to understand the scheme in more detail. A decision on the grant funding will be known in January 2017 and if successful work will start later in 2017.

Historic England is also progressing the wider brownfield site for new housing and commercial use and a proposal has been submitted as part of Growth Deal 3 for funding to de-risk the site ready for development.

Skills

The Council continues to work closely with partner organisations, external agencies and education and training providers to ensure that locally the employment and skills agenda is current and focused. The Marches LEP skills plan (developed in conjunction with the Local Authorities) has five overarching themes, which are:

- Attract and retain talent (focus on Higher Education)
- Careers advice and guidance (focus on schools)

- Skills development for priority sectors (relates to priorities in the Strategic Economic Plan)
- Encourage innovation (focus on SMEs)
- Apprenticeships (increase apprenticeship availability for all)
- Widening participation and access to employment (NEETs and unemployed)

These themes also relate to priorities for the work that the Marches Skills Provider Network (MSPN) undertakes. The Network organised a 'Shropshire Apprenticeship Showcase event' held in March 2016, aimed at encouraging young people to consider an apprenticeship. The event also provided a briefing for employers. MSPN have also been able to secure another ESF contract for skills support in the workforce, which is operational until 2018, and provides continuity from the previous ESF contract. The contract value is £1.5m, of which £1m is allocated to Shropshire/Telford & Wrekin.

MSPN are also supporting employer networks and have developed sector specific groups in order to fully understand skills needs and requirements, including changes to apprenticeships and the introduction of the Apprenticeship Levy. The most recently available published data for 2014/15 shows the number of apprenticeship starts for Shropshire residents as 3880 learners (of all ages), an increase of 530 from the year before. The top 3 apprenticeship sectors were engineering and manufacturing, health public services and care, and business administration and law.

Earlier in the year Shropshire was part of a Marches and Worcestershire post 16 area based review, led by the Department for Education/Business Innovation and Skills, Education Funding Agency and Skills Funding Agency. This was specifically aimed at reviewing the post 16 College sector with the expected outcome of ensuring sustainability and focus for the sector. Whilst not directly related to the outcomes of the review, our local Colleges have undergone some structural change: both Shrewsbury Colleges have now merged and North Shropshire College is federated with Reaseheath College with the aim of merging next year. The two Colleges in Telford will also merge. The review concluded in May 2016.

As an outcome it is expected that both local authorities and the LEP will continue to engage with the College sector in order to ensure they are offering courses that suit the needs of local employers and young people. The local authority already has regular dialogue with the Colleges, but this will slightly change the focus towards skills needs. The college and training provider sector are represented on the Business Board and LEP Boards. It is envisaged in the future that a skills sub group will form part of the Business Board remit.

Broadband

Phase 1 of the Connecting Shropshire broadband programme is due to close down this winter. To date, over 300 new fibre structures have been built with over 55,000 premises now able to access better broadband speeds from the new network. Average speeds across the intervention area delivered to date are over 50Mbps.

Whilst the outcome for many home owners and businesses is extremely positive, some premises remain challenged with poor broadband. Closing these gaps remains the key focus of the Connecting Shropshire strategic delivery and its Local Broadband Plan which was refreshed in July 2016 to account for the next procurement phase (2b).

Phase 1 work continues to close down outstanding engineering work. A further 3,000 premises are projected to have access to superfast broadband by the end of this winter.

Phase 2a is the second contract delivery phase with BT. Surveying work has commenced with build work planned to start in the New Year and will run concurrently with close down of Phase 1 structures.

Phase 2a will connect another 4,000 premises to the fibre network with over 3,700 getting access to superfast broadband. The majority of this work will include building smaller cabinets closer to remote settlements to overcome the issue of long copper lines. By the end of Phase 2a, and including commercial plans we have received from suppliers, we expect 89% of premises to have access to at least 30Mbps across the Shropshire Council area.

Phase 2b aims to extend superfast broadband coverage to a further 16,000 premises in the Shropshire Council area using £11.7m public funding secured through a balance of funding from Phase 2a (£6.68m) and the Marches Local Enterprise Partnership (£5.02m). The procurement is through an 'open tender' process which will generate competitive tension and aims to deliver value for money. Specialist telecoms suppliers have been invited to plan, design, build, operate and maintain high-performance broadband networks, referred to as Next Generation Access (NGA). Solutions must be capable of supporting download speeds of over 30Mbps and must offer competition and choice to broadband customers through the Internet Service Provider (ISP) market. Tenders are expected back by the end of January with the objective of reporting the outcome of the process to Cabinet in March 2017. Key aspects of the market specification include:

1. Priority will be given to supplier broadband solutions that serve premises on the slowest speeds (<15Mbps), with the highest weighting for premises on download speeds of below 2Mbps;

2. Broadband solutions for premises registered for business rates will be weighted more favourably;
3. To encourage competition from smaller suppliers, there are two Lot areas; an East and West Lot:
 - a. Lot 1 - Shropshire east covers 95,064 premises in total, with an intervention (white premise) count of 13,259 premises. This equates with 14% of premises in the Lot area. Lot 1 covers 149,773 hectares.
 - b. Lot 2 - Shropshire west covers 49,596 premises in total, with an intervention (white premise) count of 2,756 premises. This equates with 5.5% of premises in the Lot area. Lot 2 covers 169,960 hectares.
4. To realise economies of scale, we will look to aggregate the two contracts should the same supplier win both tender Lots;
5. As part of the evaluation process, suppliers will need to consider coverage of whole communities and isolated premises;
6. There will be no priority given to any geographic area;
7. A contingency sum (£250k) of money will be included in the contracts to provide match-funding for community solutions and 'under review' premises where commercial plans fail to materialise.

All premises that currently have less than 2Mbps can apply for the Better Broadband Subsidy Scheme. The Scheme will provide support towards the cost of the installation of a broadband connection so that a basic broadband service can be purchased for a first year cost of no more than £400 (taking account of any up-front costs and the 12 month service charges). The Scheme can also be used to access more expensive packages with higher speeds and/or greater monthly data allowances. Since May 2016, Connecting Shropshire has issued 346 Subsidy Codes, of which 218 have been claimed. This puts us third in the national league table against other areas in the UK (behind Norfolk and Scotland).

As part of the Phase 1 contract Connecting Shropshire receives a 'take up' incentive for each new connection made. As the programme connects new cabinets, individuals need to opt in to the new network and order a fibre broadband service. For each per cent of take up above a benchmark of 20%, Connecting Shropshire receives a financial reward from the contract. Based upon the current 'take up' performance, £2.2m is already due to be achieved over the 10-year contract term. This funding will remain ring-fenced for further broadband investment.

Economic Growth – team restructure

In the last 12 month's work has been undertaken to review the former Business Growth and Prosperity team. As a result, a number of key functional areas that both shape and drive economic growth have come together including Development Management, Strategic Planning, Strategic Highways, Estates, Skills, Connecting Shropshire as well as the Economic Growth team. The team will be led by Gemma Davies, Head of Economic Growth who takes up the role in January 2017.

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

Cabinet Member (Portfolio Holder)

Steve Charmley

Local Member

All Members

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Council
15 December 2016
10.00am

Item
10
Public

Councillor Steve Davenport
Enterprise and Growth Scrutiny Committee Chairman

ANNUAL REPORT 2015-16 **ENTERPRISE AND GROWTH SCRUTINY COMMITTEE**

1.0 Summary

- 1.1 This is an overview of the work of the Enterprise and Growth Scrutiny Committee during 2015-16 as well as providing an update on the work during the first few months of 2016/17.

2.0 Scrutiny activity in 2015/16

The Committee has met formally on seven occasions over the last year (2015/16) and received the following reports and presentations: -

Update on the work of the Marches Local Enterprise Partnership

Update on Tourism activity across the county and Shropshire Council's changing role in this sector

Regular updates on the redesign of the Economic Growth Department

An update on the apprenticeship activity across the county and Shropshire Council's role in this

An update from Connecting Shropshire on the Mobile Network Operators commercial deployment plans to improve Mobile Telecommunications across the county in line with Government licencing obligations. Connecting Shropshire continues to act as the key stakeholder for the Authority and its partners in working with the telecommunications industry, Government, local MP's and Ofcom to address poor mobile (voice and data) signals across the county. Headlines include:

- Voice and text coverage from each operator will increase to 90 per cent of the UK geographic area by 2017;
- Full coverage from all four mobile operators is expected to increase from 69 per cent to 85 per cent of all geographic areas by 2017;
- O2 to provide 4G indoor coverage to 98% of the national population by December 2017;
- Ofcom are due to report on the latest collected data before the end of 2016.
- Connecting Shropshire periodically host Mobile Network Operators who present updates on upgrade progress to MP's.

Update on the work of the Shropshire Business Board and specifically asking a range of questions to the Chair

Scrutiny of the Financial Strategy for the period 2015/16 - 2020/21 and specifically those areas that fall under the remit of the scrutiny committee

Update on progress against the Economic Growth Strategy 2012-2016 and how the new team will align itself to this

2.1 Empty Homes Task & Finish Group

At its meeting on 2 July 2015 the Committee received the report of the Empty Homes Task and Finish group which made a number of recommendations around enabling future Empty Homes targets to be more ambitious; a greater number of empty homes to be returned to use annually; 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.

The Committee also received an update from the Empty Homes Officer at the meeting in January 2016. These updates have helped inform additional funding into this area for 2017/18 that was confirmed by Cabinet in October 2016.

2.3 Planning Committee Task and Finish Group

During the year the Committee received the final report of the Planning Task & Finish Group which made a number of recommendations, the aim of which was to achieve a more consistent decision making process across the three planning committees through changes in process and practise.

A further Planning Task and Finish Group was established in October 2016. This has looked at how the delivery of planning processes has been changed following a review of the Planning Service undertaken early in the year and members have also provided feedback to assist the service manager in

implementing these operational changes. The group is now focussing its attention on the strategic objectives of economic growth and looking to identify how the Development Management and Planning Policy roles can be optimised to support this.

2.4 Student Accommodation Task and Finish Group

The Student Accommodation Task and Finish Group reported during the year and made the following recommendations

1. The Local Plan Review should consider specific policy formulation for HMO's and a HMO Supplementary Planning Document (SPD) should be produced to guide the development management process in the assessment of planning applications for HMO's. Within the policy there should be appropriate threshold levels in order to inform the decision making process.
2. That a HMO database identifying properties in HMO use with ongoing monitoring should be established and that included in the monitoring should be the registering of complaints received related to HMO's.
3. A Student Accommodation Accreditation Mark should be introduced in 2016 in order to set expectations of standards from an early stage in the development of the University Centre and that these standards should be endorsed by UCS.
4. These recommendations have since been brought forward and were agreed by Cabinet in a separate report, following consultation, in autumn 2016.

3.0 Activity undertaken so far in 2016

- 3.1 The Committee has met with representatives of the Shropshire Business Board, the Shropshire Chamber of Commerce and the Federation of Small Businesses. Those sessions have given an insight into the challenges and opportunities for businesses in Shropshire and the role of those organisations.
- 3.2 As part of the development of the new Economic Vision for Shropshire, the Committee took part in a facilitated discussion in July 2016 with a senior researcher from IPPR North. A series of sessions were held by IPPR North to include the Shropshire Business Board, the Cabinet and Group leaders, the Economic Growth Scrutiny and other stakeholders.
- 3.3 Following the introduction of the Apprenticeship Levy the Committee received a briefing on the Levy in October 2016 and its implementation. The Levy applies to around 50 major employers in Shropshire, including the Council. As a result of these changes to apprenticeships, their

structure and how they are funded, an internal Apprenticeship Board has been established. The aim is to plan for and put in place actions that enable the Council to access the apprenticeship levy; funding which will be paid by the Council and other major employers from May 2017 into a digital account.

- 3.4 One of the planned outcomes from the review of the Economic Growth service was the development of a new website and the Committee has received a presentation on the new website; www.investinshropshire.co.uk. The website has a wide range of information for businesses looking to come to Shropshire or grow and expand in the County.
- 3.5 The provision of superfast broadband in the County continues to be a key issue for householders and particularly rural businesses that are reliant on improved infrastructure. Connecting Shropshire presented in December 2016 progress to date with Phase 1 of the project due to be completed this winter, with Phase 2a commencing at the same time. In addition a new procurement (Phase 2b) process has now commenced, with tenders due from the 'open' market in January 2017.

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

Reports to Enterprise and Growth Scrutiny Committee

Cabinet Members

Councillors Mal Price, Steve Charmley and Stuart West

Local Member/s

All

Appendices

None



Committee and date

Council

15th December 2016

Item

11

REPORT OF THE PORTFOLIO HOLDER FOR STRATEGY, BUDGET AND BUSINESS PLAN

Contact: Malcolm Pate
Email: malcolm.pate@shropshire.gov.uk

1.0 Introduction

- 1.1 This document identifies some of the work undertaken within the Leader's Portfolio and details some of the aims and objectives for the future.

2.0 Corporate Plan

- 2.1 Since the beginning of the Financial Year we have developed a Corporate Plan which sets out our key priorities and how we believe we will achieve these. The Performance Management Scrutiny Committee has reviewed the plan through a Task and Finish Group and a number of suggestions have now been incorporated within the latest draft of the plan. The draft plan also includes Strategic Action Plans which set out how our key outcomes will be delivered.
- 2.2 Alongside the Corporate Plan we have developed a new performance management framework to monitor our progress and enable challenge of our delivery plans. We also regularly review our Strategic Risks and are continuing to develop our assurance framework across the Council to ensure our plans for the future are robust and appropriate.
- 2.3 Some of the key development opportunities for the Council are reflected in the strategies set out within the Corporate Plan. The further development of these strategic approaches will be considered within the Economic Growth Strategy and will form the underlying basis for the Council's future Financial Strategy. An example of this developing thinking includes the consideration of investment opportunities and using our borrowing powers, where an appropriate return can be realised for an acceptable level of risk. The Council can play a much greater role in the creation of the growth needed to make our County sustainable. This approach will also help to deliver a financially sustainable Council, working alongside our partners across the public and private sectors.

2.4 Shropshire does have a strong and diverse economy and we intend to use and build on this. We are working to strengthen our existing core businesses across Shropshire including agriculture, food and drink production. We will also continue to create, support and grow small and medium enterprises, for which Shropshire is known to be particularly successful. We are also looking for new and appropriate growth in larger businesses which will help create new jobs, retain and attract young people and help to make our County more sustainable. We will continue to work with The University Centre Shropshire who will be a key contributor to this in the future.

3.0 Budget and Financial Strategy

3.1 We have reviewed the Financial Strategy over the last twelve months and the latest iteration is considered by Council today. The latest Financial Strategy accepts that we need time to plan for the significant changes the Council needs to make alongside a backdrop of increased and unprecedented uncertainty within Local Government Finance.

3.2 In the future we will need to generate significant income as government funding continues to diminish. At the same time the budget needs to be balanced as our costs increase, despite our continuing approach to delivering further efficiencies within everything we do.

3.3 A model to consider growth in our costs over the next three years has been created and demonstrates that the Council cannot afford to fund the growth in our services, based on demand and demographic changes, when compared to the resources that are expected to be available. The level of growth in the budget necessary for reflect growth in Adult Social Care alone was in the order of £15m in 2016/17 and growth of £8m to £10m is expected every year thereafter. This despite national statistics suggesting that our costs per head are amongst the lowest in the Country. A series of savings proposals in other areas of the Council were put forward to enable this level of growth to be redirected to Adult Social Care, but the resultant impact on other statutory and discretionary services would be unachievable. As a result, a funding gap was identified and this has been reported to Council throughout the year alongside the actions we intend to take.

3.4 We have a legal obligation to deliver statutory services such as Adult Social Care, and we also have a statutory duty to set a legal budget. As a result, the Financial Strategy attempts to accurately reflect the level of spend we are due to undertake in future years reflecting the services we believe we have a duty to deliver. To produce a balanced budget, the gap between this estimated level of spend and our estimated level of resources has been bridged by the use of one-off funds. The outcome (regardless of how it is described within the budget process) is that the growth in Adult Social Care and the costs of other statutory responsibilities of this

council are not affordable under the current funding model. This Financial Strategy sets out the planning in the short and medium term to address this.

4.0 Finance, Governance and Assurance Team

- 4.1 The Finance, Governance and Assurance Team delivers many of the services that fall within this Portfolio. The Team continues to review service provision to ensure delivery is meeting clients’ needs both internally and externally. Work continues to improve efficiency where possible, to explore the proposals for increased income generation and opportunities to work more closely with other bodies.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p> <p>Financial Strategy Reports throughout 2016</p> <p>Corporate Plan</p>
<p>Cabinet Member (Portfolio Holder)</p> <p>Malcolm Pate</p>
<p>Local Member</p> <p>All</p>
<p>Appendices</p> <p>None.</p>

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Committee and date

Council

15th December 2016

10.00am

Item

12

REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE SUPPORT

Contact: Michael Wood
Email: michael.wood@shropshire.gov.uk

1.0 Introduction

- 1.1 This document presents a selection of the work undertaken by Corporate Support services and details some of the aims and objectives for the future.
- 1.2 Throughout 2016, a notable shift in strategy and drive has been instigated and it is hoped that 2017 will deliver more commercial opportunities, resulting in efficiencies, savings and new revenue.
- 1.3 Some of the most integral work for 2016 has been the Digital Transformation project, which will continue through 2017 and beyond. The Apprenticeship Levy is also a project of note and we are fortunate to have started work on this early, to ensure any commercial benefits can be identified and worked through.

2.0 Human Resources and Development

- 2.1 This year has seen the approval of the draft Workforce Strategy which is due to be formally agreed by Cabinet on the 12th December 2016, alongside the ICT Strategy.
- 2.2 The Workforce Strategy supports the strategic priorities of the Council and provides a framework to achieve the visions which will be set out in the Corporate Plan; "The right people with the right skills, in the right place at the right cost", from a service perspective.
- 2.3 The priorities this year have been to focus on developing a commercial approach to HR and Development, an offer that is well defined and backed up by easy to understand but comprehensive service level agreements or contracts.

- 2.4 The approach to service delivery is to be customer focused concentrating on solutions and best outcomes. This has result in consolidation of the existing customer bases of corporate services and schools and the expansion to new customers of academy trusts and town and parish councils. This commercial activity will remain a priority for the coming year.
- 2.5 Other key achievements this year have been to develop and deliver a new in-house management development programme which is currently on the 3rd cohort since launch in March 2016. Also, a commercialism and partnership working skills module has been developed and delivered to teams where trading activity is a priority.
- 2.6 Looking to the future the focus for the teams will be much more around organisation development and behaviour change. The delivery of Digital Transformation will require system change, culture change and behaviour change to be successful.
- 2.7 In the coming year the priorities will be staff engagement – making sure our staff have a voice and opportunity to contribute to the changes that will emerge through digital transformation.
- 2.8 Process redesign, creativity and innovation
There will be a need to review the way we operate currently to consider how systems and processes are organised to be as effective and efficient as possible.
- 2.9 Managing change
It will be essential to help staff and support them through the levels of change that will be required to achieve transformation.
- 2.10 Apprenticeship levy
The introduction of the Apprenticeship Levy gives Shropshire Council a fantastic opportunity to invest in staff development in ways in which has not previously been possible.
- 2.11 In preparation for the introduction of the levy HR is working to identify accredited providers and designing qualifications fit for our workforce of the future.
- 2.12 In addition to developing an internal development framework which underpins the workforce strategy we are working with external partners and stakeholders to ensure that the local economy can benefit from the levy.
- 3.0 Occupational Health and Safety**
- 3.1 Full details of the Shropshire Council Health and Safety Performance are contained in the Annual Health and Safety report which was presented to Cabinet on 28th September 2016.

- 3.2 The points of particular note are that despite a small increase in the numbers of reportable employee accidents to the Health and Safety Executive (HSE) and minor accidents, Shropshire Council performs well in terms of accident statistics.
- 3.3 Following increases in the general levels of absence and in particular stress related absence the Occupational Health and Safety team have been focussing on wellbeing and have delivered 2 wellbeing events in Shirehall to raise awareness in the workforce of both their own general health indicators (blood pressure, blood sugar and cholesterol levels) and the range of self-help and prevention programmes that are available to support well-being.
- 3.4 Progress against the Health and Safety Action plan is good. Relationships within the Council and with external clients continue to develop with new service level agreements and contractual arrangements being put in place.
- 3.5 The focus for the coming year will be to continue to support the reduction in sickness absence and to build on the commercial approach of the teams.

4.0 Digital Transformation

4.1 IT Strategy

The IT Strategy has been drafted and has been reviewed by Directors, Audit and the Risk Management team.

4.2 The IT Strategy sets out how the vision for IT underpins the Council vision and the strategic and delivery principles that will be adhered to in delivering that vision. The document includes the approach being taken to delivering the Digital Transformation Programme, the Disaster Recovery and Business Continuity strategy and progress in the delivery of that strategy, and commercial opportunities being pursued by IT.

4.3 This report will be published in the next few weeks and will be formally audited in the last quarter of this year.

4.4 The Digital Transformation Programme

The Digital Transformation Programme is a major transformation initiative that will enable the Council to transform the delivery of services through a customer focused approach utilising cloud technologies.

4.5 Delivery of this programme is being enacted through three interrelated and concurrent projects:-

- Social Care – which will improve the provision of such services to both Adults and Children's Services to meet the increased demand on these services whilst reducing

the ongoing costs of such service provision

- Business Transformation – that will provide an integrated modern solution for all back-office processes to automate our existing manual and disparate systems, and provide improved management information and a better reporting capability. This project also includes the delivery of an improved Customer Services Centre which will enable customers to contact the Council digitally.
- Technology – to support delivery of the Social Care and Business Transformation projects thereby enabling staff to spend more time on customer-facing activities through improved connectivity; enable agile and flexible working and provide improved Wi-Fi capability in Council offices and other public meeting points. This project will also support the ICT initiative to provide resilient Disaster Recovery and Business Continuity for all Council systems and software

4.6 The business case to support this programme was approved by Cabinet meetings on 27th April and 11th May, and ratified by Council on July 21st. That paper forecast that the cashable savings derived from the programme would be £4.276m and total non-cashable benefits of £31.805m over a 5-year period. The business case will be updated once supplier costs are confirmed as part of the contractual negotiations.

4.7 Social Care Project

The Social Care project has detailed its requirements and invited tenders for delivery of a solution from prospective suppliers. Three such suppliers have tendered and a preferred supplier will be selected by the end of December 2016, based on the quality of responses to our requirements, the cost of the solution, and their previous experiences of delivery to a local authority. The suppliers who can demonstrate such capability and experience will be invited to demonstrate their solution at Shirehall to key stakeholders and evaluators within the Council in early December.

4.8 Once the preferred supplier has been selected the contract for delivery will be negotiated and it is anticipated that a formal contract will be agreed in January 2016 for approval by Cabinet on February 8th. A revised business case will also be provided at that time.

4.9 Business Transformation

The Business Transformation project have gathered the business requirements and are currently completing the Invitation to Tender (ITT). This will be completed by the end of November and issued to prospective suppliers via the appropriate procurement framework.

4.10 Suppliers will be invited to respond to the invitation by the end of January, and after short-listing and confirming their capability and experience of delivery across all the functional areas to local authorities, it is anticipated that a preferred supplier will be appointed and subsequent contracts negotiated by the end of March.

4.11 Configuration and delivery of the preferred solution for Business Transformation, in

conjunction with the appointed supplier, will commence in April 2017, with a view to going live with the fully integrated solution in April 2018 (i.e. aligned to the commencement of the new financial year).

4.12 Technology

The technical requirements to support both the Social Care and Business Transformation projects have been included in their respective ITTs.

4.13 The Technology project is also in the process of finalising its requirements for the Unified Communications (the telephony solution that will support the Customer Services team), examining the existing Data Centre structure and recommending a strategy on hardware that will provide best value for the Council, and improving the Wi-Fi capability at Shirehall, other Council sites, and public meeting places such as libraries.

4.14 Programme Management

The Digital Transformation Programme is on track to deliver against the strategy set out in the business case that was approved by Council in July. In fact the Social Care project is ahead of schedule in the supplier selection and contracts award phase of the project, and anticipates enabling delivery to commence 2 months ahead of schedule.

4.15 The Digital Transformation Programme and the 3 constituent projects are managed through fortnightly programme and project boards who's' memberships include directors acting as the SRO, stakeholders from the relevant services, and officers representing Governance, Audit and Risk Management.

4.16 The actual spend on the programme to date is less than that which was budgeted, the savings being achieved through faster delivery and recruiting less expensive external resources than those originally forecast.

4.17 The business case will be updated once the preferred supplier's actual costs have been factored in, and the resource requirements (internal and external personnel) have been re-forecast

4.18 The Programme Manager also is a member of the ICT Approvals Board to ensure that other ICT related initiatives across the Council do not contradict the Digital Transformation Programme strategy or delivery.

5.0 Communications

5.1 In 2016, the Communications department was relocated to a central point in the West Wing of Shirehall and from August 2016 the department was overseen by a single manager in the Communications and Public Relations manager (Andrew Boxall). Since

that point, a more positive and subsequently commercial approach has been taken by the department.

- 5.2 The early stages of 2017 will see the department undergo a restructure, which should not require any redundancies. The new structure will give security to staff, re-align some pay grades and most importantly create a far more commercial model.
- 5.3 The Media team have been given a focus on finding good news and the new staff newsletter has been created to promote positivity within the organisation. The communications team are also now responsible for the Members Bulletin, “all staff” emails and will soon be trialling a formalisation of the cascade system process (information from upper management) to try and ensure staff are fully up-to-date.
- 5.4 2017 will see the Sustainability and Transformation Plan (STP) and the Digital Transformation Program, delivering a much needed shift in the delivery of information for residents of Shropshire. These shifts have been prepared for and work is underway to ensure the Shropshire Council communications team play a central role.

6.0 Legal and Democratic Services

- 6.1 Legal Services continues to review the service to ensure it is meeting clients changing needs both internally and those who are providing their services through new vehicles. Work is ongoing to improve efficiency, to explore the potential for increased income generation and an opportunity to establish a closer working relationship with another local authority legal department.
- 6.2 Electoral Services have been undertaking the annual canvass. Preparations have begun for the Unitary and Town/Parish Elections next year taking into account the possibility of a general election. Individual Electoral Registration is dealt with on a day-to-day basis alongside any other legislative obligations that are required for Electoral Registration and Elections Legal.

7.0 Data Analysis and Intelligence

- 7.1 The Data Analysis and Intelligence Unit in Commissioning Support continues to progress a broad range of work across the Council ranging from supporting the development of Council Strategies, meeting statutory reporting needs, and developing access to information to manage services and identify opportunities for improvement, including supporting the development of needs assessments, and documents and analysis to underpin the development of new operating and delivery models across the Council.

- 7.2 Coordinating the development of the draft Corporate Plan and the Strategic Action Plans and using the measures and delivery milestones within these documents to refresh the Corporate Performance Management Framework. The opportunity has also been taken to develop a new Performance Portal to make performance information on key measures more accessible; and this approach which will be refined and improved as the new IT systems are implemented.
- 7.3 Working with Adult Social Care and Children’s social care is also a significant area of focus. This involves developing and making available management information reporting to support day to day management of services and identify pressure points and issues that need to be addressed, enabling improved data quality, and the continued delivery of accurate statutory returns to the Department of Health and Department for Education.
- 7.4 Having a better view of what people and communities need and their priorities and ambitions is the focus underpinning work to develop how the Council undertakes engagement activity. The Big Conversation was launched last year and provides the framework for this work. Customer feedback is also a valuable source of information for learning and to identify how improvements can be made, and the coordination, monitoring and analysis of complaints, compliments and comments informs this.

8.0 Assets & Estates

- 8.1 Assets and Estates have successfully made a number of key disposals this financial year including Radbrook Campus and Ludlow Stone House which have generated over £2 million in capital receipts along with financial savings for the Council. Both involved significant preparatory work to enhance and maximise the value. The Estates team have also progressed the sale of a number of smallholdings (tenanted farm holdings) and released them back to those tenants who were interested in acquiring the freehold; this has generated in excess of £3 million in capital receipts thus far.
- 8.2 Students have completed their first year in the Council’s new student accommodation whilst the Market Hall continues to be a success under the Council’s ownership and stewardship; together with the majority of retail units being fully let.
- 8.3 The Corporate Landlord model has been successfully launched and more effective estate management is being applied to assist in the overall rationalisation of the Council’s estate. This is being achieved through a focus on generating future income both in terms of effective disposals and shrewd investment to secure future revenue income streams.
- 8.4 The Assets and Estates teams have successfully relocated a number of teams to deliver significant revenue savings for the Council. This includes the relocation of the

customer services team back to the Shirehall to release the leasehold of the Chancery building.

- 8.5 There have been a number of successful Community Asset Transfers which have been completed in the year including the Abbey Railway Building and Oswestry Gatacre fields and pavilion with a number of others well progressed offering opportunity for continued improved community resilience.
- 8.6 The Council acts as lead authority for the LGA and Cabinet Office sponsored One Public Estate (OPE) Programme which is managed with an extensive range of partners as part of the Shropshire Estates Partnership. The Partnership has been awarded £110,000 of OPE funding to date to assist with service integration, sharing accommodation, rationalising the scale of poorly utilised public estate whilst releasing land and buildings to support investment in new homes, jobs and economic growth.

9.0 Commercial Services

- 9.1 The Council currently provides a range of fee based services for partners, businesses and residents of Shropshire. These include education support services, public health, public protection, planning, property, highways, Human Resources, design and project management, finance and auditing and the operation of outdoor, arts and cultural venues. There is potential for commercial services growth within and outside of the county.
- 9.2 The Council remains firmly committed to creating an enterprising culture amongst its workforce as part of its investment, commercial and economic growth strategy.
- 9.3 Directors have established an Investment Board to consider potential new investment opportunities which maximise the use, value and yield from our extensive range of infrastructure and assets. The Council will invest in land and property development where there is clear evidence that income can be generated on a permanent basis whilst strengthening the local economy in terms of skills, jobs and new homes. This in turn will increase the growth in other Council income streams.
- 9.4 The Council continues to work with SSE to offer a 'Community Tariff' unique to Shropshire residents which will be set at a lower rate than SSE's standard tariff. The expectation is that the 'Community Tariff' will offer 5-10% discount from the SSE standard variable rate for a fixed period. The proposed dual branding approach for the 'Community Tariff' for Shropshire residents will be marketed through Shropshire Council's communication channels and delivered through SSE's end to end energy supply service. The tariff will be launched in spring 2017
- 9.5 This partnership will generate income for the Council and will also receive competitive products relating to potential expansion of the service offering, energy efficiency

measures, access to energy innovations, smart technologies and support to gain access to funding within the energy market. These additional activities and the added social value aspects will be explored and negotiated further as the model is developed.

10.0 Premises Services Team

- 10.1 The Council premises services team has enjoyed another successful year with high levels of buy back from Shropshire Schools, including schools who have not previously bought into the service.
- 10.2 Trading income exceeded £1million for the first time in 2015-16 ensuring a profitable position for the team. New external business contracts awarded included Entatech, Wellmeadow, Morville Academy, Wem and Ellesmere Town Councils. The team has recently been selected as one of the preferred suppliers for First Choice Housing.
- 10.3 A new digital platform and property management system called Tech Forge Cloud has been implemented, including a customer portal which allows schools and clients to raise help calls electronically and can see the status of calls they have raised. Tech Forge cloud has assisted the team to streamline their finance procedures, contract maintenance recording and monitoring and enabled them to utilise system generated KPI's and reports to monitor, review and improve performance.
- 10.4 307 projects worth £8 million were completed in financial year 2015-16 and 283 projects are in progress worth £9 million in the current financial year. These projects included the solar panel project completed in March 2016 to assist the council generate income, the University accommodation project completed ready for first cohort of University Centre Shrewsbury and the more recent provision of design/procurement and project management services for the relocation of Shrewsbury Town Council to Castle Gates Library in the town centre.
- 10.5 23 customer satisfaction surveys were completed with an average satisfaction rate of 99.11% in 2015. 10 customer satisfaction questionnaires have been completed and received in 2016 with an average satisfaction rate of 89.62%. The average score is expected to rise as more questionnaires are received.
- 10.6 The focus of the team will continue to be on business development activities to improve their commercial presence in the market. Further commercial training and development will be undertaken for the whole team to increase commercial skills and knowledge. The type and mix of products and services offered to customers is being reviewed as further changes take place in their business requirements. Further marketing material is being developed with strong brand identity to raise the profile of the professionalism of the team and the services that they provide.

11.0 Shire Services

- 11.1 Shire Services is a trading department of Shropshire Council providing catering and cleaning services predominantly to schools. We currently provide services within 7 local authority areas, as well as within Shropshire. Services are provided in North Wales, Cheshire, Walsall, Telford, Worcester, Hereford and Wolverhampton.
- 11.2 At the beginning of the 16/17 financial year we catered at 175 sites and had 143 cleaning contracts. Our turnover in 2015/16 was £15.924 million.
- 11.3 The unique selling point for Shire Services is its ever increasing commercial arm. Contracts have been held outside of Shropshire for over 20 years, three of the very first contracts that Shire Services won in open tender are still buying into the service; Eirias High School in Colwyn Bay, Ipsley Middle School in Redditch and Chantry High School in Worcester.
- 11.4 Shire Services is the first local authority caterer in the West Midlands to achieve the Soil Association's Gold Food for Life Catering Mark at one of our schools. This places emphasis on local produce and organic ingredients. After a rigorous on-site inspection, we have proved that we serve fresh and healthy meals, that are prepared using at least 15% organic and a selection of local or UK ingredients, making healthy eating the easy option.
- 11.5 In September this year University students arrived in Shrewsbury for the second year. Shire Services work together with the Council and the University of Chester to manage the accommodation for these students at Mardol House, situated above the market hall. We have a Student Accommodation Concierge member of staff on duty in the building 24 hours per day to deal with any issues or concerns that the students have.
- 11.6 There are exciting times ahead for Shire Services as we will very soon be piloting our new online pre-order and payment system in a number of our primary schools. Parents will soon be able to pay online for their child's meals as well as know what their child has eaten. Introducing this new system will have other important benefits; reduced queueing time for pupils, reduced waste as our kitchens know how much of each menu item need to be produced, existing paper based processes can be eliminated as data can be transferred electronically between devices, kitchen employees can spend more time preparing and making food and less time completing paperwork, improve speed of communication between kitchens and Head Office.
- 11.7 Moving forward, we will be offering this service as standard to all our schools. Initial roll out will begin with a small number of schools in January 2017 with a phased block roll-out beginning in April 2017.
- 11.8 One of the challenges that Shires Services has faced is the introduction of the Living Wage which came in to effect from April 2016 meaning all employees who currently

earn less than the national living wage of £7.20 an hour saw an increase in pay. This is good news for our employees but has an impact on the catering and cleaning services as client budgets are increasingly stretched. Added to this is the increase in NI contributions (due to the Government removal of the NI rebate) and auto enrolment into the Pension scheme, all adding to our clients' labour costs.

- 11.9 For 2016/17 plans have already been put in place to significantly reduce the base budget which is required from the Council. Measures include negotiating discounts and rebates with our major food suppliers, deleting vacant posts from the structure, recharging mobile relief staff costs to sites as well as an increase in profit share from commercial contracts as a result of increasing the number of contracts held outside of Shropshire.

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Committee and Date
COUNCIL
15 December 2016
10.00am

Item
13
Public

Councillor Claire Wild
Performance Management Scrutiny Committee Chairman

ANNUAL REPORT OF THE PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE 2015 - 2016

1.0 Summary

1.1 This is an overview of the work of the Performance Management Scrutiny Committee since the last report to Council in September 2015.

2.0 What have we done?

2.1 The Committee has held nine formal Committee meetings since the last report made to Council.

Quarterly reporting

2.2 The Committee has undertaken scrutiny of regular reporting including the quarterly Corporate Performance Reports and the quarterly Revenue Monitoring and Capital Monitoring reports. Reviewing these reports has enabled the Committee to maintain an overview of progress and emerging issues which they have been able to raise in their meetings or refer to the relevant Scrutiny Committee to consider adding to their work programme.

2.3 Over the past twelve to eighteen months of the performance reporting, the Committee has considered all of the measures in the Corporate Performance Management Framework. Some examples of the measures they have picked up in their meetings include:

- Measures for Adult Social Care such as placements into residential and nursing care, taking account of increasing demand for services and the implementation of the Council's operating model, aiming to help people with the right support when they enquire about options and services.

- Delayed Transfers of Care from hospital, which has been a regular measure highlighted in the quarterly reporting, and which remains an area of focus for the Health and Adult Social Care Scrutiny Committee.
 - The provision of support for children and families which helps to avoid them needing to enter the care system. The Committee have heard about the Council's 'front door' approach with improved interagency working and earlier intervention. The reported figures have shown that numbers of children being referred to social care and moving into care stabilised and has begun to reduce.
- 2.4 Regular monitoring of the Capital and Revenue reporting has provided the opportunity to consider progress in the management of budgets, and how this has impacted on services through the performance reporting. Through this work the Committee picked up and asked questions about the use of one-off funding to balance budgets, and the pressure on Adult Social Care and how this has a wider impact on all of the Council's budget.

Financial Strategy and Budget Consultation

- 2.5 As part of the scrutiny of the Financial Strategy, in December 2015, each Scrutiny Chair was invited to relay the views of their individual Scrutiny Committees on the Financial Strategy. Each Committee had considered the Financial Strategy from their respective remit and questioned the Directors and Portfolio Holders who attended the meetings. Through this activity the interdependences between the breadths of the services provided by the Council were highlighted, including the associated risks of making changes in one area and the unintended impact on another service, including those which had been protected.
- 2.6 The Committee also agreed to establish a Budget Task and Finish Group in December 2015 to allow more in-depth consideration than was possible within the Committee structure. The Task and Finish Group identified nine recommendations which were supported by Cabinet. At the conclusion of its work, the Task and Finish Group recommended that Scrutiny would like to be involved in Budget setting process at an earlier stage. As a result the Task and Finish Group continued into 2016/17 and undertook two pieces of work, the first running alongside the development of the Budget proposals for 2017/18 and beyond, and the other looking at the draft Corporate Plan.
- 2.7 During the period from the end of May to mid-July 2016 the Task and Finish Group met six times, identifying and carrying out their work on three main areas of focus:
- General Fund balance
 - Setting a sustainable budget
 - Adult Social Care

To inform its consideration the Group heard from Managers and Portfolio Holders about the budget proposals, and as a result set out seven recommendations which were supported by Cabinet.

Draft Corporate Plan 2016/17 to 2018/19

- 2.8 More recently, this Financial Strategy Task and Finish Group has also reported to the Committee its consideration and challenge of the draft Corporate Plan and draft Strategic Action Plans. In completing this work they considered the feedback from staff and Members on the Draft Corporate Plan reported to Council in July 2016 and identified which feedback should be taken account of in redrafting the plan; reviewed the context and High-level Outcomes sections of the redrafted document, and received and challenged the draft Strategic Action Plans.
- 2.9 Throughout the work they paid particular attention to the level of ambition being set out, and highlighted the importance of progressing Economic Growth over the coming years, especially in light of the move to Shropshire Council being part funded locally through the retention of 100% of business rates. The Group also recognised the importance of being able to update the Strategic Action Plans to reflect new or revised Council Strategies and developments such as the Economic Growth Strategic Plans that will be developed to deliver the emerging Economic Vision.

Other areas of work currently underway and planned for the future

- 2.10 The Committee has established a Joint Task and Finish Group with the Enterprise and Growth Scrutiny Committee to consider Planning which is currently ongoing.
- 2.11 It has also been agreed to set up a Task and Finish Group to look at how Community Infrastructure Levy, S106 agreements and New Homes Bonus is used by the Council.
- 2.12 In addition to the budget shaping process and continual monitoring of performance in the light of ongoing changes, the Committee's future Work Programme is under rolling review and will include hearing from the University Centre Shrewsbury about work they have done in other areas which may be relevant to delivering the Strategic Action Plans, and useful to be considered in any future refresh during 2017/18.

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

Reports to Performance Management Scrutiny Committee 2015-16
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Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998
--

Environmental Appraisal

There are no environmental issues relating to this report.
--

Risk Management Appraisal

There are no risks associated with this report.

Community / Consultations Appraisal
--

Consultation is a component of Scrutiny work to collect information to support the
--

development of conclusions and recommendations.

Cabinet Member

Councillor Malcolm Pate, Councillor Michael Wood

Local Member

All

Appendices

None



Committee and Date

Cabinet
30th November 2016

Council
15th December 2016

Item

14

Public

SETTING THE COUNCIL TAX TAXBASE FOR 2017/18

Responsible Officer James Walton

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Tel:(01743)258915

1. Summary

- 1.1. In order to determine the appropriate Council Tax levels for Shropshire Council, it is necessary to determine the Council Tax taxbase for the area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D Council Tax.
- 1.2. For 2017/18 the Council Tax taxbase will be 106,565.90 Band D equivalents, this is an increase of 1.58% from 2016/17.
- 1.3. The Council Tax taxbase has a direct impact on the Council Tax that will be levied by the Council for 2017/18.

2. Recommendations

Members are asked:

- 2.1 To approve, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2017/18, as detailed in Appendix A, totalling 106,565.90 Band D equivalents.
- 2.2 To note continuation of the Council's current localised Council Tax Support (CTS) scheme in 2017/18. The scheme is attached at Appendix B.
- 2.3 To note the exclusion of 10,419.63 Band D equivalents from the taxbase as a result of localised Council Tax Support.

- 2.4 To note continuation of the discretionary Council Tax discount policy of 0% in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection) and note the inclusion of 669.82 Band D equivalents in the Council Tax taxbase as a result of this discount policy.
- 2.5 To note continuation of the discretionary Council Tax discount policy of 50% for up to 12 months in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties, and the resulting exclusion of 133.94 Band D equivalents from the Council Tax taxbase.
- 2.6 To note continuation of the discretionary Council Tax discount policy in respect of vacant dwellings, i.e. former Class C exempt properties, of 100% for one month, i.e. effectively reinstating the exemption, and then a 25% discount for the remaining five months and the resulting exclusion of 234.66 and 255.58 Band D equivalents respectively from the Council Tax taxbase.
- 2.7 To note continuation of the “six week rule” in respect of vacant dwellings, i.e. former Class C exempt properties.
- 2.8 To note continuation of the discretionary power to levy a Council Tax premium of 50% in relation to dwellings which have been empty for more than two years and the resulting inclusion of 235.38 Band D equivalents in the Council Tax taxbase.
- 2.9 To approve a collection rate for the year 2017/18 of 98.2%.

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

- 4.1 The Council Tax taxbase figure impacts on the Council Tax that will be levied by the Council for 2017/18.
- 4.2 The implication of the Council’s localised Council Tax Support scheme are detailed in Section 6.

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

5. Background

- 5.1 Shropshire Council has responsibility for determining the Council Tax taxbase for the Council's geographical area.
- 5.2 The taxbase for Council Tax must be set between 1 December 2016 and 31 January 2017 in relation to 2017/18, as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 5.3 The Council is also required to inform the major precepting authorities, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, of the taxbase in order to enable the calculation of Council Tax for the following year. Each town and parish council is also notified of its own Council Tax taxbase.
- 5.4 The purpose of this report, therefore, is to determine and approve the Council Tax taxbase for Shropshire Council for 2017/18.

6. Council Tax Support

- 6.1 The 2010 Spending Review announced the localisation of council tax support and The Welfare Reform Act 2012 abolished Council Tax Benefit from 31 March 2013 and required that Local Government created a localised Council Tax Support (CTS) scheme effective from 1 April 2013, accommodating a reduction in funding of 10%.
- 6.2 Shropshire Council's localised CTS scheme was approved in October 2012. No changes to the scheme are proposed and so the current scheme will continue to be used during 2017/18. The current scheme is attached at Appendix B.

- 6.3 From 2013, therefore, council tax support has taken the form of reductions within the council tax system, replacing national council tax benefit. Making reductions part of the council tax system reduces a billing authority's Council Tax taxbase. Billing and major precepting authorities receive funding (Council Tax Support Grant) which reduce their council tax requirement and, depending on the design of the local council tax scheme, can help offset the council tax revenue foregone through reductions.
- 6.4 An estimate of the effect of the local Council Tax Support Scheme on the Council Tax taxbase has been determined for Shropshire. It is estimated that the Council Tax Support Scheme will reduce the Council Tax taxbase by 10,419.63 Band D equivalents.
- 6.5 As Council Tax Support entitlement will vary throughout the year and this will affect the taxbase it is more likely that the amount of Council Tax collected in 2017/18 will vary from the estimate.

7. Discretionary Discount Policies

7.1 *Second Homes*

- 7.1.1 Second homes are defined as furnished properties which are not occupied as a person's main residence and include furnished properties that are unoccupied between tenancies.
- 7.1.2 The Local Government Act 2003 gave councils new discretionary powers to reduce the 50% Council Tax discount previously awarded in respect of second homes to between 10% and 50% with effect from 1st April 2004. Councils retain the additional income raised by reducing the second homes Council Tax discount.
- 7.1.3 The Local Government Act 2012 further extended billing authorities' discretion over the second homes discount to between 0% and 50%. On 17 October 2012 Cabinet approved the reduction of the second homes Council Tax discount from 10% to 0%.
- 7.1.4 The figures used for the 2017/18 Council Tax taxbase incorporate a 0% Council Tax discount in respect of second homes (other than those that retain a 50% discount through regulation as a result of job related protection). Implementation of this policy results in the inclusion of 669.82 Band D equivalents in the taxbase.

Vacant Properties

7.2 *Former Class A & Class C Exempt Properties*

- 7.2.1 The Local Government Act 2012 abolished both Class A and Class C exemptions and gave billing authorities' discretion to give discounts of between 0% and 100%. Class A exemptions were previously available for up to 12 months in respect of a vacant property which required, was undergoing, or had recently undergone major repair work to render it habitable, or

structural alteration. Class C exemptions were previously available for up to six months after a dwelling became vacant.

7.2.2 On 17 October 2012 Cabinet approved the award of a 50% Council Tax discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties.

7.2.3 In respect of former Class A exempt properties the figures used for the 2017/18 Council Tax taxbase allow for the continuation of the decision previously approved by Council, i.e. to award a 50% discount for up to 12 months. Continuation of this policy results in the exclusion of 133.94 Band D equivalents from the taxbase.

7.2.4 On 17 October 2012 Cabinet also approved the award of a 25% Council Tax discount in respect of vacant dwellings, i.e. former Class C exempt properties.

7.2.5 Implementation of this policy resulted in a large number of low value Council Tax demands being raised primarily in relation to landlords whose properties are between tenants. A significant number of landlord complaints were received in relation to these Council Tax demands and these small amounts proved to be very difficult to collect. It was, therefore, proposed and approved that a 100% discount be awarded for one month, i.e. effectively reinstating the exemption, and then a 25% discount be awarded for the remaining five months.

7.2.6 In order to avoid fraudulent 100% claims in respect of these types of properties it was also proposed and approved that the “six week rule” be applied, i.e. if a dwelling which is unoccupied and unfurnished is either exempt or entitled to a discount, becomes occupied or substantially furnished for a period of less than six weeks, after which it falls empty again, it will only resume exemption or discount for any of the original exemption or discount period which remains.

7.2.7 In respect of former Class C exempt properties the figures used for the 2017/18 Council Tax taxbase incorporate a discount of 100% for one month and a 25% discount for the remaining five months. Continuation of this policy results in the exclusion of 234.66 and 255.58 Band D equivalents respectively from the taxbase.

7.3 ***Empty Homes Premium***

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

7.3.2 The figures used for the 2017/18 Council Tax taxbase incorporate a 50% Council Tax premium in respect of dwellings which have been empty for more than two years. Implementation of this policy results in the inclusion of 235.38 Band D equivalents in the taxbase.

8. Taxbase Calculation

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

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

Property Band	House Value	Ratio to Band D	Analysis of Dwellings on the Valuation List (%) (as at 12 th September 2016)	% Increase / (Decrease) over 2015/16
A	Under £40,000	6/9	18.9	0.7
B	40,001 - 52,000	7/9	25.9	0.9
C	52,001 - 68,000	8/9	20.7	1.0
D	68,001 - 88,000	9/9	14.4	1.0
E	88,001 - 120,000	11/9	10.9	1.6
F	120,001 - 160,000	13/9	5.8	1.1
G	160,001 - 320,000	15/9	3.2	1.1
H	Over 320,000	18/9	0.2	0.0

8.3 There are 139,098 properties in the valuation list for the Shropshire Council area. This compares with a figure of 137,743 in the list at the same time last year. There has been an increase of 1,355 properties overall, which equates to 0.98%. The number of properties in property bands A – G has increased, the number of properties in band H has remained the same.

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

- Ascertain the number of properties in each Council Tax band (A to H) shown in the valuation list as at 12 September 2016.
- Adjust for estimated changes in the number of properties through new build, demolitions and exemptions.
- The number of discounts and disabled relief allowances which apply as at 3 October 2016.
- Convert the number of properties in each Council Tax band to Band D equivalents by using the ratio of each band to Band D and so arrive at the total number of Band D equivalents for the Council.
- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year

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

9. Collection Rate

9.1 In determining the taxbase, an allowance has to be made to provide for changes to the taxbase during the year (e.g. due to new properties, appeals

against banding, additional discounts, Council Tax Support award changes, etc.) as well as losses on collection arising from non-payment. This is achieved by estimating a Council Tax collection rate for the year and must be common for the whole of Shropshire.

- 9.2 A collection rate of 98.5% was assumed for the 2016/17 financial year and it is recommended that a collection rate of 98.2% should be assumed for the purpose of determining the Council Tax taxbase in 2017/18.
- 9.3 Actual in year collection rates in 2013/14, 2014/15 and 2015/16 were 98.1%, 98.3% and 98.4% respectively. The collection rate for 2016/17 is currently projected to outturn at around 98.1%.
- 9.4 The projected collection rate for 2016/17 has dropped marginally in 2016/17, however further recovery work will be undertaken to try to improve this rate by the end of the financial year. Therefore a rate of 98.2% is considered prudent given the current level of recovery and the collection rates of the last 3 years.
- 9.5 If the actual rate exceeds 98.2% a surplus is generated, which is shared between the Unitary Council, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely, any shortfall in the collection rate results in a deficit, which is shared in a similar manner. The surplus or deficit is taken into account in setting the Council Tax in the following year.

10. Council Tax Base

- 10.1 The estimated Council Tax taxbase for the whole of the area will be used by this Council to calculate its Council Tax Levy. It will also be used by West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority to calculate the levy in respect of their precepts.
- 10.2 The Council Tax taxbase for this purpose in 2017/18 is 106,565.90 Band D equivalents, an increase of 1.58% from 2016/17. The detailed build of this figure analysed by both parish and town council and Environment Agency region is shown in Appendix A.

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

N/A

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council.

Local Member

N/A

Appendices

Appendix A: 2017/18 Parish and Town Council Tax Taxbase Summary for Shropshire Council.

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

2017/18 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Abdon & Heath	106.27
Acton Burnell, Frodesley, Pitchford, Ruckley & Langley	247.33
Acton Scott	35.33
Adderley	186.11
Alberbury with Cardeston	368.17
Albrighton	1,487.54
All Stretton, Smethcott & Woolstaston	166.86
Alveley & Romsley	826.93
Ashford Bowdler	38.10
Ashford Carbonel	185.81
Astley	193.43
Astley Abbotts	238.19
Aston Bottrell, Burwarton & Cleobury North	114.09
Atcham	121.48
Badger	53.79
Barrow	260.09
Baschurch	984.52
Bayston Hill	1,750.28
Beckbury	149.82
Bedstone & Bucknell	297.87
Berrington	341.43
Bettws-Y-Crwyn	86.71
Bicton	438.90
Billingsley, Deuxhill, Glazeley & Middleton Scriven	160.29
Bishops Castle Town	623.16
Bitterley	335.70
Bomere Heath & District	783.29
Bonningale	138.78
Boraston	74.50
Bridgnorth Town	4,478.45
Bromfield	115.08
Broseley Town	1,432.09
Buildwas	98.72
Burford	429.26
Cardington	200.39
Caynham	491.66
Chelmarsh	217.50
Cheswardine	382.30
Chetton	155.95
Childs Ercall	286.49
Chirbury with Brompton	328.89
Church Preen, Hughley & Kenley	121.34
Church Pulverbatch	162.46
Church Stretton & Little Stretton Town	2,124.28
Claverley	841.83
Clee St. Margaret	69.23
Cleobury Mortimer	1,123.64
Clive	233.42
Clun & Chapel Lawn	492.97
Clunbury	237.31

2017/18 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Clungunford	142.06
Cockshutt-cum-Petton	282.82
Condover	814.40
Coreley	132.39
Cound	207.24
Craven Arms Town	778.96
Cressage, Harley & Sheinton	400.78
Culmington	165.21
Diddlebury	258.92
Ditton Priors	325.52
Donington & Boscobel	587.57
Eardington	237.62
Easthope, Shipton & Stanton Long	201.68
Eaton-Under-Heywood & Hope Bowdler	178.29
Edgton	45.45
Ellesmere Rural	879.78
Ellesmere Town	1,365.36
Farlow	179.31
Ford	287.80
Great Hanwood	367.38
Great Ness & Little Ness	434.25
Greete	49.57
Grinshill	110.90
Hadnall	306.47
Highley	1,008.69
Hinstock	427.00
Hodnet	548.21
Hope Bagot	28.96
Hopesay	232.59
Hopton Cangeford & Stoke St. Milborough	159.55
Hopton Castle	38.25
Hopton Wafers	274.29
Hordley	100.02
Ightfield & Calverhall	187.70
Kemberton	115.96
Kinlet	399.93
Kinnerley	483.06
Knockin	116.20
Leebotwood & Longnor	195.43
Leighton & Eaton Constantine	206.53
Llanfairwaterdine	98.59
Llanyblodwel	261.66
Llanymynech & Pant	653.16
Longden	514.46
Loppington	268.22
Ludford	243.58
Ludlow Town	3,379.80
Lydbury North	218.44
Lydham & More	124.07
Mainstone & Colebatch	86.33

2017/18 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Market Drayton Town	3,687.68
Melverley	52.46
Milson & Neen Sollars	121.57
Minsterley	554.52
Montford	221.84
Moreton Corbett & Lee Brockhurst	126.50
Moreton Say	200.25
Morville, Acton Round, Aston Eyre, Monkhopton & Upton Cressett	350.27
Much Wenlock Town	1,183.68
Munslow	176.02
Myddle & Broughton	588.24
Myndtown, Norbury, Ratlinghope & Wentnor	255.11
Nash	138.11
Neen Savage	153.57
Neenton	64.45
Newcastle	126.05
Norton-In-Hales	263.24
Onibury	129.47
Oswestry Rural	1,555.63
Oswestry Town	5,057.03
Pontesbury	1,175.47
Prees	1,041.62
Quatt Malvern	86.05
Richards Castle	133.53
Rushbury	267.21
Ruyton-XI-Towns	449.91
Ryton & Grindle	77.91
Selattyn & Gobowen	1,171.67
Shawbury	811.86
Sheriffhales	318.30
Shifnal Town	2,567.50
Shrewsbury Town	23,381.59
Sibdon Carwood	35.42
St. Martins	860.51
Stanton Lacy	165.83
Stanton-Upon-Hine Heath	220.23
Stockton	129.75
Stoke-Upon-Tern	457.96
Stottesdon & Sidbury	312.66
Stowe	47.72
Sutton Maddock	108.25
Sutton-Upon-Tern	405.11
Tasley	395.93
Tong	117.64
Uffington	99.39
Upton Magna	154.36
Welshampton & Lyneal	353.38
Wem Rural	663.20
Wem Town	1,911.97
West Felton	518.26

2017/18 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council	APPENDIX A
Parish / Town Council	Council Tax Taxbase (Band D Equivalents)
Westbury	524.87
Weston Rhyn	821.70
Weston-Under-Redcastle	123.05
Wheathill	74.05
Whitchurch Rural	552.33
Whitchurch Town	3,062.00
Whittington	820.90
Whitton	56.65
Whixall	329.66
Wistanstow	327.61
Withington	104.45
Woore	572.33
Worfield & Rudge	906.09
Worthen with Shelve	757.75
Wroxeter & Uppington	158.14
Shropshire Council Total	106,565.90
Environment Agency - Severn Trent Region	100,183.44
Environment Agency - Welsh Region	4,025.42
Environment Agency - North West Region	2,357.04
Shropshire Council Total	106,565.90

SHROPSHIRE COUNCIL – BENEFITS SERVICE

COUNCIL TAX SUPPORT (CTS)

Introduction

The current Council Tax Benefit scheme is a means tested benefit that helps people with a low income to pay their Council Tax.

From April 2013 this will be abolished and all local authorities will provide a new scheme called 'Council Tax Support'. The funding that is provided for this scheme will be reduced by 10% and therefore it is likely that some people will have to pay more towards their Council Tax bill.

The changes will not affect pensioners even though they will move into the new scheme. The Government have confirmed that all pensioners will be protected and receive the same amount of benefit they do now under the current Council Tax Benefit Scheme.

Each local authority will be able to provide Council Tax support in a different way depending on local needs, funding available and how it can be administered. Each Council is expected to devise a new scheme and then put this to public consultation by the end of 2012.

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

Anyone of working age will now be subject to the new scheme from April 2013. The differences that you will see in the new Council Tax Support Scheme are: -

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

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

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

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

Reduction of the capital limit

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

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

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

Removal of Earnings disregards

All income disregards for working age people will cease from the 01.04.13.

Removal of Child Benefit disregards

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

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

From 01.04.13 non dep deductions will increase to the following: -

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

This deduction will only be made from their earned income. It won't affect any other income they receive.

Non-dependant earned income deductions (pension age only)

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

Unearned income will attract the following disregards (working age and pension age):

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

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

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

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

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

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

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

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

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

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

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

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

SUMMARY OF CHANGES FROM 01.04.13

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

APPEALS

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

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

Process:

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

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<u>Committee and Date</u>	<u>Item</u>
Council	15
15 December 2016	
10.00am	
	<u>Public</u>

FINANCIAL STRATEGY 2017/18 – 2019/20

Responsible Officer James Walton

e-mail: james.walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

Shropshire Council continues to manage its budget within the confines of significantly reducing resources as a result of government cuts. A model of growth in costs over the next three years was created and demonstrated that the Council could not afford, for example, to fund the growth in Adult Social Care based on the resources that would be available. A review of Adult Social Care expenditure attempted to model, in detail, how spend is expected to grow in future years as a result of demographic change and an aging population. The level of growth in the budget necessary to reflect the model was in the order of £15m in 2016/17 and growth of £8m to £10m every year thereafter. A series of savings proposals in other areas of the Council were put forward to enable this level of growth to be redirected to Adult Social Care, but the resultant impact on other statutory and discretionary services was considered to be unachievable. As a result, a funding gap was identified and reported to Council.

We have a legal obligation to deliver statutory services such as Adult Social Care, and we also have a statutory duty to set a legal budget. As a result, the Financial Strategy attempts to accurately reflect the level of spend we are due to undertake in future years reflecting the services we believe we have a duty to deliver. To produce a balanced budget, the gap between this estimated level of spend and our estimated level of resources has been bridged by the use of one-off funds. The outcome (regardless of how it is described within the budget process) is that the growth in Adult Social Care and the costs of other statutory responsibilities of this council are not affordable under the current funding model. This Financial Strategy sets out the planning in the short and medium term to address this.

Council approved the Financial Strategy in July 2016 setting out the funding and spend position for the Council over the Medium Term and agreed an approach whereby a mix of base budget savings would be implemented alongside the use of one-off proposals to deliver a balanced budget plan for the 2017/18 and 2018/19 Financial Years. In July Council approved these base

budget proposals, and in September Cabinet approved the one-off proposals that would be implemented to bring the budget into overall balance. In November Cabinet also received Revenue and Capital monitoring reports updating the current year position and identifying implications and movements necessary for future years and have considered this revised Financial Strategy on 30 November 2016.

This report provides an update on the Council's base budget position including; a review of delivery timescales and values for savings proposals, the implications of information supplied to Cabinet via the Revenue and Capital Monitoring reports, a review of overall resources including Business Rates and Council Tax Taxbase and an update of assumptions around one-off resources such as investment funding, ear-marked reserves, core grants and capital receipts.

Although the overall extent of the changes within this report do not represent a significant shift from the financial implications previously agreed by Council and Cabinet, this revised report does provide updated figures, and a more robust overview of budget planning over the next two years. This report continues to adopt the approach agreed by Council in July 2016, and provides the updated information necessary to enable consultation on the budget plan to be undertaken, with a view to feeding back and building in any implications before Council meets to formally set the budget for 2017/18 in February 2017. The Council's Performance and Management Scrutiny Committee (PMSC), and the Financial Strategy Budget Setting Task and Finish Group, have taken the opportunity to scrutinise the proposals brought forward over the year. The approach outlined above was agreed by PMSC on 16 November 2016.

2. Recommendations

It is recommended that members:

- A. Approve the revised projections for expenditure and resources, as set out in Appendices 1 and 2, for the Financial Years 2017/18 and 2018/19
- B. Approve the revised savings proposals as set out in Appendices 4 and 5.
- C. Note the revised funding gap and approve the revised proposals to deliver a balanced budget in 2017/18 and 2018/19 as set out in Appendix 3, including the release of earmarked reserves as set out in Appendix 6.
- D. Approve the virement of funding allocations as set out in paragraph 4.4.
- E. Approve the draft outline Revenue Budget as set out in Appendix 7, and the draft outline Capital Programme as set out in Appendix 8, which together will form the basis for Budget Consultation for 6 weeks from 7 December 2016 to 18 January 2017, which has been amended by one week from the dates previously agreed by Cabinet.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1. The development and delivery of the Council's 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 Financial Strategy makes specific reference to the Council's ability to set a sustainable budget (the highest of the Council's key strategic risks). Other risks associated with or mitigated by the setting of an approved Financial Strategy are listed below:

- ICT Provision
- ICT Digital Transformation
- Future Funding Levels

Financial Uncertainty

3.2. There is a significant risk that the Council's financial position will impact on service delivery, both statutory and non-statutory in future years. It is still unclear as to the extent of this impact as a great deal of work, including consultation where necessary, is required to move from the production of savings proposals to actual changes in service delivery seen on the ground. Nevertheless, we will continue to identify proposals for service reductions that are necessary to deliver a balanced budget over the medium term. This approach needs detailed consideration to ensure the Council is not placed at risk of being unable to deliver statutory functions to an appropriate quality or being unable to meet the needs of the most vulnerable. The impact of the Finance Settlement (Provisional in mid-December 2016, Final in early February 2017) is unknown at the present time, but could have a bearing on our medium term plans and also our ability to deliver a Sustainable Business Model in the longer term.

3.3. The Autumn Statement was announced on 23 November 2016. The statement confirmed that as the deficit remains so high, the government is committed to spending plans as set out in the Spending Review 2015. The Statement confirmed the national living wage increases identified previously and therefore these changes have already been considered and built into earlier Financial Strategies. Changes were announced however to business rate relief, specifically for those businesses subject to rural rate relief, however no confirmation was made that local government will be compensated via a Section 31 grant for the costs of this change. Therefore,

there is a risk that the implementation of this, which for Shropshire would cost approximately £75,000, could add to the funding gap of the authority.

3.4. The Final Local Government Finance Settlement from February 2016 provided details for the financial years 2016/17 to 2019/20. In addition, Central Government offered to provide all local authorities with a confirmed multi-year offer (to 2019/20) where any Council was prepared to provide details of its efficiency statement before the deadline of 14 October 2016. Shropshire Council agreed to accept this offer and as a result the following allocations provided in the final settlement are now expected to be honoured:

- Revenue Support Grant (RSG)
- Rural Services Delivery Grant (RSDG)
- Transition Grant (2016/17 and 2017/18 only)
- Business Rates Top-Up Grant

The offer, however, did not cover the following key grants and as a result cannot be guaranteed despite being set out in the Final Local Government Settlement:

- New Homes Bonus (NHB)
- Improved Better Care Fund (IBCF)

3.5. To help mitigate risks all core grants identified in the two lists above have been considered as one-off funding. Reliance on these funds, however, has still been assumed over the medium term.

3.6. The Financial Strategy is based upon delivery of a balanced budget over the Medium Term. Each year the delivery of services and savings proposals is monitored and reported to Cabinet on a quarterly basis. The impact of significant additional pressures (for example, demographic pressures in Adult Services) and the non-achievement of savings proposals impact not only on the relevant financial year, but also in future years of the Strategy. In previous years there has been an ability to freeze spending elsewhere in the budget to compensate for these pressures. In the future, there is a significant risk that there will be insufficient controllable budgets left in the Council to mitigate pressures appearing elsewhere. This may mean that reserves held for emergencies instead become relied upon to cover known pressures. If reserves are depleted in this way, the Council's funding position will become unsustainable.

3.7. Detailed work has been undertaken to revise the growth projections for Adult Services. This work is influenced by numerous variables which are often non controllable. Each of these issues can lead to uncertainty in the base data or

assumptions which are then extrapolated. If the pressure in Adult Services in future years is understated this would lead to short term decision making to deliver a balanced budget. If this pressure is over stated in future years, this would lead to decisions being taken elsewhere in the Council's budget that may have been unnecessary. The risk of continued budget variances in this area have been reduced by allocating additional resources to model future spend projections and by attempting to model and identify all variables. Spending on Adults Services, however, still represents the Council's greatest risk area in terms of potential budget overspends. For this purpose, it is proposed to introduce a 'contingent budget' to reduce the risk of major variation in the short term. Additionally, the decision to utilise short-term resource in the following two financial years to mitigate and delay the impact of service reductions across the Council will enable greater time for assurance from the modelling in Adult Services Finances to be gained.

- 3.8. 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. 2016/17 Financial Year Implications for Future Years

- 4.1. On 9 November 2016 Cabinet approved the Revenue Monitoring report for Quarter 2 2016/17. This report projected an overspend of £0.635m by year end. The Council's General Fund Balance at 1 April 2016 was £18.370m and with no further action, the projected overspend would reduce this balance to £17.735m. It should be noted that the opening General Fund Balance was already below the risk assessed level (approved by Council in February 2016) of £28.196m. Additionally a national assessment of the value of general reserves held by local authorities (as at 31 March 2015) identified that as a percentage of net budget Shropshire Council was ranked 261 out of 353 local authorities i.e. in the lowest third nationally. Shropshire Council's General Fund Balance has increased by approximately £2.5m in the intervening period.
- 4.2. The report also identified that £23.054m savings had been identified for delivery in the 2016/17 Financial Year and that £1.314m of these savings were currently RAG-rated as Red. This means that there is a high probability that they will not be achieved in-year, but have been offset to some extent by other initiatives, hence the overall projected overspend of £0.635m for the Council. The implications of the non-delivery of these savings on future years has been taken into account in the revision of figures within this Financial Strategy Report.

- 4.3. The Revenue Monitoring Report also recognised that New Homes Bonus commitments should be revised and the proposals identified within the report were approved by Cabinet. These revisions impacted on the New Homes Bonus Reserve only and have no implications for the Council's Budget Plan over the next two years.
- 4.4. Cabinet also approved, and recommended to Council for formal approval, a virement of £9.699m to the Capital Programme for the previously approved Digital Transformation Programme. This funding has been identified in 2016/17 from one off funds including Corporate funding resources, budgets for cost pressures in 2016/17 that are being managed within existing service base budgets and unallocated Minimum Revenue Provision for prudential borrowing costs for new capital investments that are unlikely to materialise until 2017/18. As referenced in the Council's Financial Strategy approved in July, the authority has requested approval to make use of new powers for the use of capital monies. These powers alongside the uncommitted funding of £9.699m provide a value for money funding solution for a proportion of the Council's Digital Transformation Programme (for example by reducing the requirement for internal borrowing there is the potential to deliver cashable and non-cashable savings in base budget earlier within the estimated timeline). It is therefore proposed that a virement is processed to enable a revenue contribution to capital programme to be made to partially fund this programme.
- 4.5. Also on 9 November 2016, Cabinet approved the Capital Monitoring report for Quarter 2 2016/17. Within this report a number of areas were identified for disinvestment, totalling £8.4m. The basis for these decisions was to take a fresh look at the capital programme and free up funding for new investment opportunities. No decisions on how and where this funding will be invested have been made as yet, and work to develop the approach is mentioned in Section 6 of this report.
- 4.6. On 16 November 2016 Performance Management Scrutiny Committee reviewed the 9 November 2016 Cabinet Revenue and Capital Monitoring Reports and concluded that the approach undertaken was satisfactory.

5. 2017/18 and 2018/19 Proposed Budget Plans

- 5.1. On 27 January 2016 Cabinet received a Financial Strategy report identifying an approach to delivering a balanced budget for the financial years 2017/18 and 2018/19. This approach required the delivery of over £22.2m of savings which when assessed by officers were considered to have significant implications for service delivery across a number of areas (these were

referred to as Red-Ragged Savings). At the same time there was an indication of considerable uncertainty about the implications for Local Government Finances over the medium term following the announcement that Council's would at a future date retain 100% of their locally generated Business Rates alongside additional, undefined responsibilities that would need to be locally funded. The review of local government finances would need to take account of the provision of existing core grants, top ups and tariffs, safety-net implications and needs and redistribution of funds under a fair funding formula. Such a change would likely redistribute funding nationally between Councils, and theoretically at least, this could lead to different Councils becoming 'winners' or 'losers' financially. The result of these announcements was that it was now impossible to accurately forecast what the financial landscape for Shropshire Council would look like from 2019/20 onwards. Consequently, there was a desire to avoid taking decisions that could have significant, detrimental and long-term implications for service delivery at a time when there was no robust financial framework driving those decisions.

- 5.2. As a result, officers were tasked with the challenge to find alternative savings proposals from those initially put forward and consider the implications of utilising a combination of base budget savings, core funding grants and other one-off proposals (such as freeing up of earmarked reserves) to deliver a balanced budget for a limited period of time, i.e. as a minimum the Financial Years 2017/18 and 2018/19.
- 5.3. On 31 July 2016 Full Council approved the Financial Strategy Report, setting out the proposals to deliver a balanced budget in 2017/18 and 2018/19. The plan identified base budget savings proposals that could be delivered, and proposed the use of one-off initiatives and resources to cover any remaining gap to deliver a balanced budget.
- 5.4. On 28 September 2016 Cabinet approved a series of one-off proposals which would deliver a balanced budget in 2017/18 and reduce the funding gap to £2m in 2018/19. The overall position is provided in Table 1 below.

Table 1: Approach to Delivering a Balanced Budget 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap	16,390	20,211
One-off Proposals	(16,390)	(18,211)

Unresolved Funding Gap	0	2,000
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- 5.5. Since this date further work has been undertaken to consider the budget position for 2017/18 and beyond, taking account of any implications from the current year budget (as described in Section 4 above) and other pressures and initiatives known at this time. The key areas are described in the following paragraphs.
- 5.6. As at 31 March 2016, the triennial valuation of the Shropshire County Pension Fund was undertaken. While the implications of this are only provisionally identified at this point, they will impact from 2017/18 and it is prudent to consider the potential financial implications of the valuation at this point. The initial valuation suggests that the overall funding level for the Pension Fund has improved from 74% to 82%, although due to a number of changes in assumptions, employers' contributions for active members will need to increase from 13.5% to 14.8% and deficit contributions will also increase from £17.4m, incrementally to £21.2m by 2019/20. The financial impact of these increases could potentially be significantly reduced by prepayment of contributions, taking advantage of the Council's cashflow position at the present time. Additionally, it is proposed to utilise existing one-off resources over the current budget plan period to prevent the current Financial Strategy from being destabilised by any short term financial implications of the valuation. This approach has not been finalised, but is the planning proposal reflected within the revised resources and expenditure proposals within this report.
- 5.7. The Council tax taxbase calculations have been completed for 2017/18 and are being considered in a separate report on this Council agenda. In light of the increase in taxbase calculated for 2017/18, the assumptions for future years have been revised to reflect the growth in the taxbase that has occurred over the last four years and to bring our assumptions in line with national planning assumptions and averages. This has increased the available council tax to be generated in year, and thereby marginally reduced the funding gap each year.
- 5.8. Council approved saving plans to a value of £15,026,024 in the July Financial Strategy. Since this period, service areas have been further reviewing these savings proposals and refined the RAG rating on delivery of these savings. A small number of 2017/18 savings targets within Place and Enterprise have been revised, although the overall total required from the directorate remains the same. This has taken place in order to realign service area savings with recent changes to the directorate structure, as well as to reassign the saving required from the Council's Teme Leisure contract budget, which has now

been delayed and therefore will be made through alternative means in 2017/18. The directorate's policy is to increase income budgets where possible in order to avoid reductions in expenditure that would have a negative effect on service delivery, and therefore it is proposed that Theatre Services' income budget is increased further in 2017/18 in line with current levels of income received. Details of the revised savings proposals is provided in Appendix 4.

- 5.9. As highlighted in the Revenue Monitoring Reports to Cabinet, there are some savings within Children's Services that were planned for 2016/17 that will not be delivered in year. This is being managed by compensating one-off underspends elsewhere within the Council and these savings have been reviewed to consider if they are achievable for 2017/18. In the main these proposals are achievable, albeit with some caution as achievement of some savings is dependent on the numbers of looked after children and with minor delays in implementation for two of the specific savings. However, £262,960 cannot be achieved in relation to the Externalisation of County Training. This saving related to the non-controllable element of the County Training budget and the resulting decrease in support services delivery from the externalisation of this service has not been significant enough to generate this saving. Further details on the unachieved 2016/17 savings is provided in Appendix 5.
- 5.10. The resources and expenditure projections shown in Appendix 1 and 2 have also been updated to reflect the latest projection of government grant funding to be received. This particular change has had no impact on the funding gap as all changes to funding have been amended in both resources and expenditure to reflect the conditions attached to the grants.
- 5.11. The updated funding gap arising from all changes highlighted above is shown in Table 2 below:

Table 2: Revised Funding Gap for 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap as at 28 Sept 2016	16,390	20,211
Improvement in Council Tax Projections	(1,055)	(2,221)
Impact of Pension Costs	2,424	2,194
2016/17 Unachievable Savings	328	263
Revised Funding Gap	18,086	20,447

- 5.12. It should be noted that whilst the funding gap has increased in the short term, actions taken have reduced the funding gap identified in the longer term. This is principally as a result of pre-payment of Pension costs and by factoring in additional council tax generation due to an increase in council tax base.
- 5.13. Proposals agreed by Cabinet on 28 September to close the funding gap with one-off resources still left a gap of £2m in 2018/19 (as shown in Table 1 above) and further work was necessary to identify a solution to this. With the revisions made in this report the funding gap has seen an increase in both years. Proposals have been put forward to revise allocations from one-off sources and further refine allocations from earmarked reserves that can be released to close the funding gap across the two financial years. Appendix 6 details the earmarked reserves confirmed as available for release and this provides one off funding of £5.141m. The estimated cost of the proposed pension increase will be funded through the conditional release of earmarked reserves on the basis that the Council will utilise the new statutory powers to use capital receipts for a revenue purpose. Whilst £13.341m of reserves have been identified for conditional release, the level of capital receipts necessary can only be generated from sales over a two-year period. As shown in Table 3 below, a lower total of £7.090m (£2.423m + £4.667m) is necessary to fund the gap in 2017/18 and 2018/19. As a number of assumptions have been applied to arrive at a balanced budget across two financial years, it is likely that a number of the figures shown in Table 3 will be adjusted.

Table 3: Short Term Proposals to fund the budget in 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap (as per Table 2)	18,086	20,447
Use of One Off Grants:		
RSDG (Provisional Settlement)	(1,633)	(1,633)
Improved RSDG (Final Settlement)	(3,675)	(2,450)
Transition Grant (Final Settlement)	(586)	0
New Homes Bonus	(4,269)	(783)
Improved Better Care Funding	(217)	(4,329)
Applying existing savings proposals early	(890)	(9)
Delivering anticipated and managed underspends	(960)	0
Collection fund adjustments	0	(2,100)

Carry forward unapplied Adult Services Contingent Budget	0	(2,500)
Release Earmarked Reserves	(3,433)	(1,976)
Conditional Release of Reserves	(2,423)	(4,667)
Total Short Term Proposals	(18,086)	(20,447)

5.14. The Council's Performance Management Scrutiny Committee (PMSC) and the Financial Strategy Budget Setting Task and Finish Group have been kept apprised of all developments with the Financial Strategy over the summer and autumn periods and taken the opportunity to review a number of significant elements within the approach, with the findings and recommendations reported through to Cabinet for approval. At its meeting of 16 November 2016, PMSC was taken through the timetable and approach for the delivery of the 2017/18 budget in February 2017.

5.15. The timetable for delivery of the 2017/18 budget is set out in Table 4 below.

Table 4: Timetable - 2017/18 and 2018/19 Budget

Date	Group	Details (Subject to available information (e.g. Settlement))
15 December 2016	Council	Approve: Revised proposals to balance 2017/18 and 2018/19 budget using a mixture of base-budget savings, and also one-off funds and short-term proposals which will not contribute to closing the Core Funding Gap (as set out in Appendix 3 to this report).
21 December 2016	Cabinet	Consider latest information on Resource and Expenditure Projections and savings for 2017/18 and 2018/19 - subject to the Council receiving the Provisional Local Government Finance Settlement (due early December).
8 February 2017	Cabinet	Formally recommend the 2017/18 Budget for approval by Council including all 2017/18 Savings and any 2018/19 savings which can be agreed.
23 February 2017	Council	Approve the 2017/18 Budget.

6. Long Term Financial Strategy

6.1. The above proposals represent a significant departure from the original approach agreed by Cabinet in October 2015. At that point the Council was proposing to implement a Long Term Strategy based upon a Sustainable

Business Model which would identify future resources available and fit spending patterns within that financial envelope. This approach has been revised for two key reasons (as described in Section 5):

- The implications for service delivery into the future suggested that statutory duties could not be delivered in a sustainable manner within the projected financial envelope.
- The impact of 100% Local Business Rates Retention and as yet unidentified new burdens to be funded from locally raised resources from 2019/20 created new levels of uncertainty that rendered long term projections pure speculation.

6.2. The Sustainable Business Model, as a concept however, is still valid as it has the power to accurately describe the financial envelope within which a self-sufficient Council has to prioritise services and operate. The model will be modified and eventually will become the foundation of future Financial Strategy Reports, but not until the relevant parameters and necessary financial assumptions are adequately described, clarified and fully understood.

6.3. The development of the Council's Corporate Plan is an essential element of this approach and once adopted will provide the framework for Council priorities and strategic outcomes within which a Financial Strategy can be developed.

6.4. Alongside the Financial Strategy, the Corporate Plan will also be supported by a number of key strategy documents currently in different stages of development and refresh including:

- The Economic Growth Strategy
- The Commercial Strategy
- The Workforce Strategy
- The Digital Transformation Strategy
- The IT Strategy
- The Treasury Strategy

6.5. The development of the Economic Growth Strategy will enable the Council to produce a more developed Capital Investment Strategy, setting out the longer term aspirations of the Council in terms of development and regeneration. Following a review of the current Capital programme (as mentioned in Section 4 above) work will be undertaken over the winter period to set out the principles for a future aspirational capital investment strategy which will form an integral part of the developing Financial Strategy.

6.6. While it is too early at this stage to clearly set out the priorities that will be established within these strategic documents, the following considerations are likely to be developed further:

- Operating the most efficient services and being commercial in outlook across all that we do.
- Our population becoming the healthiest, to improve quality of life and reduce strain on services.
- Growing income from business rates and housing.
- Increasing investment income.
- Maximising the potential of our investment in IT and technology

6.7. The next draft of the Corporate Plan is due to be considered by Cabinet on 21 December 2016.

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

- Financial Strategy 2017/18 – Cabinet 30 November 2016
- Revenue Monitoring Report – Quarter 2 2016/17 – Cabinet 9 November 2016
- Capital Monitoring Report – Quarter 2 2016/17 – Cabinet 9 November 2016
- Financial Strategy 2017/18 – 2019/20 – Cabinet 28 September 2016
- Financial Strategy Task and Finish Group - Final report – Cabinet 27th July 2016
- Financial Strategy 2017/18 – 2019/20 – Council 13 July 2016
- Financial Strategy 2017/18 – 2019/20 – Cabinet 13 July 2016
- Financial Strategy Task and Finish Group - Interim Report – Cabinet 13th July 2016
- Financial Strategy 2017/18 - 2018/19 – Cabinet 18 May 2016
- Financial Strategy 2016/17 – 2018/19 – Cabinet 17 February 2016
- Final Report from the Budget 2016/17 Task and Finish Group – Cabinet 10th February 2016
- Performance Management Scrutiny Committee: Scrutiny of the Financial Strategy: Summary of the Feedback from the Scrutiny Committees – Cabinet 9th December 2015

Cabinet Member (Portfolio Holder)

Malcolm Pate

Local Member

All

Appendices

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – Funding Gap

Appendix 4 – Savings Proposals 2017/18 & 2018/19

Appendix 5 – 2016/17 Savings Unachievable

Appendix 6 – Release of Earmarked Reserves

Appendix 7 – Draft Summary Revenue Budget 2017/18

Appendix 8 – Draft Summary Capital Budget 2017/18

Resource Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	Assumptions
Council Tax	127,068,947	134,251,314	141,839,457	149,857,179	1.6% increase in Taxbase p.a. and 3.99% increase in Band D p.a.
Business Rates:					
Business Rates Collected	38,746,737	39,447,278	40,160,485	40,886,586	Growth of 0.8% and multiplier increase of 1%
Estimated Reduction in Business Rates (s31 see below)		-3,860,000	-3,860,000	-3,860,000	
Top Up Grant	10,119,908	10,318,949	10,623,366	10,962,908	As per Local Government Finance Settlement 2016
RSG	31,565,931	20,447,511	13,301,166	6,119,050	As per Local Government Finance Settlement 2016
Collection Fund:					
Council Tax	2,987,003	500,000	500,000	500,000	
Business Rates	-5,961,407	-500,000	-500,000	-500,000	
NET BUDGET	204,527,118	200,605,052	202,064,474	203,965,723	
Grants included in Core Funding:					
Improved Better Care Fund	0	216,823	4,328,805	8,153,519	As per Local Government Finance Settlement 2016
New Homes Bonus	9,327,598	9,377,848	5,891,776	5,653,090	As per Local Government Finance Settlement 2016
Rural Services Delivery Grant	6,573,303	5,307,636	4,082,797	5,307,636	As per Local Government Finance Settlement 2016
Transition Grant	575,652	585,686	0	0	As per Local Government Finance Settlement 2016
s31 Business Rates Grants	0	3,860,000	3,860,000	3,860,000	
CORE FUNDING	221,003,671	219,953,045	220,227,852	226,939,968	
Local Income					
Fees and charges	66,020,470	62,759,146	63,836,175	65,040,521	
Other Grants and contributions	33,906,417	33,906,417	33,906,417	33,906,417	
Specific Grants (excluding Core Funding Grants above)	238,527,570	237,980,460	237,980,460	237,980,460	
Internal Recharges	10,563,760	10,563,760	10,563,760	10,563,760	
TOTAL FUNDING	570,021,888	565,162,828	566,514,664	574,431,126	

Appendix 2

Expenditure Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Original Gross Budget Requirement	576,378,810	590,672,245	583,249,199	586,961,952
Inflationary Growth :				
Pay	1,991,292	1,361,007	1,166,054	996,311
Prices	5,006,995	1,861,804	1,669,604	1,717,763
Pensions	0	2,423,594	-229,111	-298,711
Demography	21,877,515	824,076	6,999,013	7,556,318
National Government Policy changes :				
NI	2,000,000			
Minimum Living Wage (included in pay and prices for adjusted)	1,000,000			
Apprenticeships	500,000			
Local Generated Pressures :				
Debt charges	1,000,000			
Elections		700,000	-700,000	
Grant loss/ grant rolled into Base funding	1,970,870			
Specific Grants Changes between years	2,600,576	-1,535,674	-1,184,618	4,810,868
Income Changes	-10,079,103			
All other changes in 2016/17	-7,236,317	2,084,336		
Adjustment to Gross budget offset by Income changes	4,536,807			
Adjust for Reduction to offset income reduction		-444,000	-320,242	
Savings:				
Add Savings carried forward from 2015/16 to be achieved	15,961,130			
Deduct ongoing Savings - 2016/17	-26,836,330			
Deduct ongoing Savings - 2017/18		-15,026,024		
Deduct ongoing Savings - 2018/19			-3,623,072	
2016/17 Savings not achievable		327,835	-64,875	
TOTAL EXPENDITURE	590,672,245	583,249,199	586,961,952	601,744,500

Funding Gap

	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>
	£	£	£	£
Resources	<i>570,021,888</i>	565,162,828	566,514,664	574,431,126
Expenditure	<i>590,672,245</i>	583,249,199	586,961,952	601,744,500
Gap in year	<i>20,650,357</i>	18,086,371	20,447,288	27,313,375
One Off Funding to be used:				
Financial Strategy Reserve	<i>9,355,970</i>			
Rural Services Delivery grant - Ongoing	<i>1,633,119</i>	1,633,119	1,633,119	
Rural Services Delivery grant - One Off	<i>4,940,184</i>	3,674,517	2,449,678	
Transition Grant - One Off	<i>575,652</i>	585,686		
New Homes Bonus - One Off	<i>4,145,432</i>	4,269,560	783,460	
Improved Better Care Funding		216,823	4,328,805	
Savings BF		890,462	8,851	
One off Monitoring underspends		960,000		
Adult Services Contingency			2,500,000	
Collection Fund Adjustments			2,100,000	
Earmarked Reserves - Freed up		3,432,610	1,976,355	
Free up Conditional Release Reserves			2,472,538	
Free up Conditional Reserves - Pensions		2,423,594	2,194,483	
TOTAL ONE OFF FUNDING	<i>20,650,357</i>	18,086,371	20,447,288	0

Savings Proposals 2017/18 & 2018/19

Analysis of Savings Proposals - Summary	2017/18	2018/19
	£	£
Green Savings:		
Adults	0	0
Childrens	-277,340	0
Place & Enterprise	-2,082,315	0
Public Health	0	0
Resources and Support	-3,609,635	1,216,654
	Total Green Savings	1,216,654
	-5,969,290	
Amber Savings:		
Adults	0	0
Childrens	-1,787,500	-187,500
Place & Enterprise	-290,430	-1,068,387
Public Health	-368,849	-250,848
Resources and Support	1,286,079	-861,771
	Total Amber Savings	-2,368,506
	-1,160,700	
Achievable Red Savings:		
Adults	0	0
Childrens	-125,733	0
Place & Enterprise	-1,701,820	-2,100,000
Public Health	0	0
Resources and Support	-200,000	-371,220
	Total Achievable Red Savings	-2,471,220
	-2,027,553	
Corporate Savings:		
Adults	0	0
Childrens	0	0
Place & Enterprise	0	0
Public Health	0	0
Resources and Support	-5,868,481	0
	Total Corporate Savings	0
	-5,868,481	
Total Savings Approved by Council	-15,026,024	-3,623,072
Cumulative by 2018/19		-18,649,096

Savings Proposals 2017/18 & 2018/19

Adult Services						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green Savings:						
None						
Amber Savings:						
None						
Achievable Red Savings						
None						
Corporate Savings						
None						
Total Savings			0	0		

Savings Proposals 2017/18 & 2018/19

Children's Services						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green Savings:						
C14	Children and Young People / David Minnery	Children with Disabilities	-170,000	0	Recommissioning provision	Approved Council 21/07/16
C19	Children and Young People / David Minnery	Foster Care Service - Fostering Placements	-107,340	0	Savings achieved through best value.	Approved Council 21/07/16
Total Green Savings			-277,340	0		
Amber Savings:						
C01	Children and Young People / David Minnery	Education Access and Equality	-150,000	0	School attendance monitoring function placed at risk	Approved Council 21/07/16
C02	Children and Young People / David Minnery	Education Improvement (including Early Years)	-200,000	0	Reduced provision available to support high quality educational outcomes, could impact on the outcomes for children and on the LAs capacity to support improvement	Approved Council 21/07/16
CO3	Children and Young People / David Minnery	Home to School Transport (including SEN Transport)	-187,500	-187,500	Further efficiencies are reliant on full implementation of personalisation policy, and fuel costs.	Approved Council 21/07/16
CO8	Children and Young People / David Minnery	Information Advice and Guidance	-250,000	0	The team would reduce significantly and would not be able to provide information advice and guidance across Shropshire. This could impact on the progression of young people, and the number of young people who are not in education employment or training	Approved Council 21/07/16
C25	Children and Young People / David Minnery	Children's Centres	-1,000,000	0	Early Help services prevents children wherever possible receiving children's social care interventions. Schools and other stakeholders will face pressure to meet demand.	Approved Council 21/07/16
Total Amber Savings			-1,787,500	-187,500		
Achievable Red Savings						
C31	Children and Young People / David Minnery	Special Educational Needs	-94,311	0	To deliver a further saving in 2017/18 the team will divert resources towards traded work.	Approved Council 21/07/16
C32	Children and Young People / David Minnery	Education Improvement (subject to ESG)	-31,422	0	Additional Saving proposed to be funded from traded work and review of the service.	Approved Council 21/07/16
Total Achievable Red Savings			-125,733	0		
Corporate Savings						
None						
Total Savings			-2,190,573	-187,500		

Savings Proposals 2017/18 & 2018/19

Place & Enterprise						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green savings:						
M01	Planning, Housing, Regulatory Services and Environment / Mal Price	Refuse collection and recycling	-250,000		0 Collection service redesign / contract renegotiation, £2m delayed until 2018/19	Approved Council 21/07/16 and Cabinet 28/09/16
M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Planning	-140,000		0 Redesign of service areas	Approved Council 21/07/16
M06	Highways and Transportation / Simon Jones	Highways management, maintenance and street cleansing	-350,000		0 Energy efficiency, increased income and redesigning the workforce	Approved Council 21/07/16
M10	Corporate Support / Michael Wood	Commissioning directorate management team and support functions	-20,000		0 Efficiency savings and further redesign.	Approved Council 21/07/16
M11	Highways and Transportation / Simon Jones	Public transport - Council Delivery	-250,000		0 Redesign of functional areas	Approved Council 21/07/16
M13	Leisure and Culture / Stuart West	Leisure centres, swimming pools and sports development	-70,080		0 Combination of efficiency savings and local commissioning of functional areas	Approved Council 21/07/16
M14	Leisure and Culture / Stuart West	Theatre services	-132,570		0 Increases in income	Approved Council 21/07/16
M17	Leisure and Culture / Stuart West	Museums and tourism	-40,000		0 Further redesign of function.	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-36,450		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M23	Leisure and Culture / Stuart West	Arts	-11,290		0 As per December 2015 proposals developed in consultation with stakeholders	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	-631,113		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R26	Corporate Support / Michael Wood	Other property services	-150,812		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Green Savings			-2,082,315	0		
Amber Savings:						
M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Planning	0	-205,000	Redesign of service areas	Approved Council 21/07/16
M06	Highways and Transportation / Simon Jones	Highways management, maintenance and street cleansing	0	-150,000	Energy efficiency, increased income and redesigning the workforce	Approved Council 21/07/16
M08	Leisure and Culture / Stuart West	Parks, countryside and rights of way	-25,000		0 Outdoor Partnerships business plan for income generation should result in further savings being proposed later in the financial year, but at present an assessment of the proposals against the 2016/17 savings target is	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-40,000		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M26	Business and Economy / Steve Charmley	Energy Company Work	-25,430	-132,000	Development of an energy company indicates net income generation for the Council.	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	0	-304,770	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R28	Corporate Support / Michael Wood	Shire Services	-200,000	-276,617	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Amber Savings			-290,430	-1,068,387		
Achievable Red Savings						
M01	Planning, Housing, Regulatory Services and Environment / Mal Price	Refuse collection and recycling		-2,000,000	Collection service redesign / contract renegotiation, £2m delayed until 2018/19	Approved Council 21/07/16 and Cabinet 28/09/16
M12	Business and Economy / Steve Charmley	Economic growth and business support	-159,040	-100,000	Combination of efficiency savings and local commissioning of functional areas	Approved Council 21/07/16
M16	Leisure and Culture / Stuart West	Leisure centres, swimming pools and sports development	0	0	25% saving on Teme Leisure contract to be negotiated. Will result in reduction in provision.	Approved Council 21/07/16
M17	Leisure and Culture / Stuart West	Museums and tourism	-40,000		0 Further redesign of function.	Approved Council 21/07/16
M20	Leisure and Culture / Stuart West	Libraries	-150,000		0 Transfer of one or more of the larger libraries to a commissioned model.	Approved Council 21/07/16
M21	Children and Young People / David Minnerly	Youth activities and youth centres	-118,400		0 50% reduction to LJC budgets for youth activities	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-133,810		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M25	Highways and Transportation / Simon Jones	Car parks	-200,000		0 To be delivered through change to linear tariffs. Could be potential to increase this value later in the financial year.	Approved Council 21/07/16
M26	Business and Economy / Steve Charmley	Energy Company Work	-106,570		0 Development of an energy company indicates net income generation for the Council.	Approved Council 21/07/16
M27	Highways and Transportation / Simon Jones	Grey Fleet savings	-424,000		0 Review of grey fleet mileage claimed shows that potential savings can be released across the Council in 2017/18.	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	-370,000		Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Achievable Red Savings			-1,701,820	-2,100,000		
Corporate Savings						
None						
Total Savings			-4,074,565	-3,168,387		

Savings Proposals 2017/18 & 2018/19

Public Health

Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
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Green savings:

None

Amber Savings:

M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Environmental health, planning and trading standards	-140,000	0	Redesign of service areas	Approved Council 21/07/16
P02	Health & Wellbeing / Karen Calder	Registrars	-20,000	-20,000	The Department of Health is yet to announce the Public Health Grant for the next two years therefore it will not be clear until the end of January about the resources available to the council to meet its statutory commitments. In addition the Home Office is consulting on changes to the Marriage Legislation that may mean that the Registrars' Service may have a reduction in the sources of revenue that it receives through the licensing of venues and the related fees for conducting services. On that basis the saving plan has been given an overall rating of Amber until a detailed review of the factors outlined above can be assessed.	Approved Council 21/07/16
P07	Health & Wellbeing / Karen Calder	Help to Change	-80,349	-102,348		Approved Council 21/07/16
P09	Health & Wellbeing / Karen Calder	Multi-agency Drug and Alcohol Team	-25,000	-25,000		Approved Council 21/07/16
P11	Health & Wellbeing / Karen Calder	School Nurses	-56,000	-56,000		Approved Council 21/07/16
P17	Health & Wellbeing / Karen Calder	Community Safety	-47,500	-47,500		Approved Council 21/07/16

Total Amber Savings

-368,849 -250,848

Achievable Red Savings

None

Corporate Savings

None

Total Savings

-368,849 -250,848

Savings Proposals 2017/18 & 2018/19

Resources and Support						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green savings:						
R07	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Provisional Settlement Adjustment	-1,496,045	1,535,434	Apply £5.385m of New Homes Bonus and £0.562m of RSDG over 3 years to offset front-loading of RSG reduction (Note growth not saving in 18/19 to reflect front loading of RSG reductions in years 1 and 2)	Approved Council 21/07/16
R23	Corporate Support / Michael Wood	Other Customer services	-143,700		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R27	Corporate Support / Michael Wood	Non Distributable costs and other Corporate	-100,000		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R30	Corporate Support / Michael Wood	Corporate & Democratic Core	-229,890		0 Reductions in External Audit Fees, Debt Management Charges and Members Telephone and Car Allowance budgets can be delivered in full in 2017/18	Approved Council 21/07/16
R31	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Treasury Management	-1,530,000	-318,780	Currently anticipated to be deliverable due to repayment of borrowing, thereby reducing debt charges and additional interest to be achieved on investments.	Approved Council 21/07/16
R32	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Shrewsbury Town Civics	-110,000		0 Renegotiation of the Shrewsbury town Council contract has now enabled the base budget contribution towards the civic costs to be removed.	Approved Council 21/07/16
Total Green Savings			-3,609,635	1,216,654		
Amber Savings:						
R22	Corporate Support / Michael Wood	Customer Services	-290,997		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R29	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Other	1,577,076	-861,771	One-off resources and/or savings applied from previous years to offset unachieved savings reallocated to service areas.	Approved Council 21/07/16
Total Amber Savings			1,286,079	-861,771		
Achievable Red Savings						
R04	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Revenues and Benefits	-200,000	-100,000	Redesign of service areas	Approved Council 21/07/16
R31	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Treasury Management	0	-271,220	Currently anticipated to be deliverable due to repayment of borrowing, thereby reducing debt charges and additional interest to be achieved on investments.	Approved Council 21/07/16
Total Achievable Red Savings			-200,000	-371,220		
Corporate Savings						
R33	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Review of Corporate Budgets	-5,868,481		0 Review of growth adjustments within the budget has released £2.898m within Corporate Budgets. A further £2.094m can be released due to a change in the collection fund surplus/deficit as a result of new guidance on the inclusion of a provision. Remaining £0.876m to be released from budgets retained for pensions contribution growth which is no longer required.	Approved Council 21/07/16
Total Corporate Savings			-5,868,481	0		
Total Savings			-8,392,037	-16,337		

2016/17 Savings Unachievable

Children's Services Savings 2016/17						Impossible to Achieve	Delays expected in 2017/18	Delay in Implementation but Achievable in 2017/18
Ref	Portfolio	Council Function	2016/17 Unachieved Saving £	Commentary	Status	£	£	£
Redesign and transfer of Education Support Services to i,p&e (Inspire To Learn) and secure commissioning arrangements and retained team.								
	Children and Young People / David Minnery	Education Access and Equality	-135,000	Reduce Commissioning of Education Access & Equality from ip&e	It is proposed that the Education, Access and Equality Service is restructured to reflect the long term statutory responsibility of the Local Authority.		-33,750	-101,250
	Children and Young People / David Minnery	Education Improvement (including Early Years)	-42,000	Reduce Commissioning of Education Improvement Service from ip&e	Deliverable in 2017/18.			-42,000
	Children and Young People / David Minnery	Information Advice and Guidance	-132,000	Reduce Commissioning of IAG from ip&e	Staff restructure delayed over uncertainty around future trading strategy of Inspire to Learn. Anticipated to be deliverable in 2017/18.			-132,000
			-309,000			0	-33,750	-275,250
Analyse Children's Services back office processes: administration; use of IT; impact of rurality.								
	Children and Young People / David Minnery	County Training	-262,960	Externalisation of County Training	Savings target is impossible to achieve as it relates to Non-Controllable Budgets	-262,960		
	Children and Young People / David Minnery	LS Business Support	-124,500	Rationalisation of Learning and Skills Business Support Admin	Efficiency savings to be achieved through a review of Business Support processes.		-31,125	-93,375
			-387,460			-262,960	-31,125	-93,375
Redesign early support and assist provision.								
	Children and Young People / David Minnery	Early Help	-15,000	Reduce funding of CAMHS services	Staffing Restructure slippage due to changes in 0-25 re-commissioning programme			-15,000
	Children and Young People / David Minnery	Early Help	-325,000	Reduce the net budget of provision of Early Help through funding an additional £1m through Central DSG	£325,000 Savings to be targeted through Early Help Strategy and Strengthening Families pilots			-325,000
			-340,000			0	0	-340,000
Review current residential provision and increase assessment capacity. Review mix of provision. Review practice of assessing children's ongoing need to be Looked After.								
	Children and Young People / David Minnery	Placements	-250,000	Reduction of External Residential/Fostering Placements	Achievement is planned through the following but costs are subject to short notice demand for high cost placements so unclear whether full saving will be achieved in 2017/18: - Develop Chelmare to extend provision - Continued offer of edge of care support and outreach reducing LAC where appropriate/safe. - Recruitment and training of in house Foster Carers to meet needs of teenagers			-250,000
			-250,000			0	0	-250,000
CHILDREN'S SERVICES			-1,286,460			-262,960	-64,875	-958,625

Appendix 6

Release of Earmarked Reserves

Earmarked Reserve	Purpose of Balance	Confirmed Release £	Conditional Release £
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	0	-6,972,585
Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	0	-3,500,000
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	0	-500,000
Care Act Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services.	-215,545	0
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	-239,949	0
Planning Reserve	Set aside funds for investment in planning application processes.	-1,146,997	0
Public Health Reserve	This reserve includes balances committed to specific public health projects.	-1,000,000	0
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	-378,510	-2,369,259
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitment have been made against these balances in 2017/18.	-1,671,979	0
Shropshire Waste Partnership (Smoothing)	The PFI smoothing reserve reflects the budgeted contributions in the early years of the Waste PFI contract that will be used to smooth the step up in the Unitary Charge once additional facilities come on line. The PFI smoothing reserve will ensure that the Shropshire Waste Partnership does not pay for services in advance of receiving them but that once costs are increased in line with the contract money is available to meet those costs.	-389,000	0
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve will be earmarked towards future capital and revenue expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.	-29,355	0
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	-337,630	0
TOTAL		-5,408,965	-13,341,844

Appendix 7

Draft Summary Revenue Budget 2017/18

	2017/18 £	Adult Services £	Children's Services £	Place & Enterprise £	Public Health £	Resources & Support £
Original Gross Expenditure Requirement	570,021,890	120,656,530	189,152,640	141,771,480	21,350,170	97,091,070
Inflationary Growth :						
Pay	1,361,007	263,788	287,006	324,298	118,631	367,284
Prices	1,861,804	70,757	621,240	973,610	8,287	187,910
Pensions	2,423,594	455,888	521,048	711,944	85,575	649,139
Demography	824,076	446,140	277,936	0	0	100,000
Local Generated Pressures :						
Elections	700,000	0	0	0	0	700,000
Specific Grants Changes between years	-1,535,674	0	0	0	0	-1,535,674
All other changes in 2016/17	2,084,336	0	0	0	0	2,084,336
Adjust for Reduction to offset income reduction	-444,000	0	0	0	-444,000	0
Reversal of 2016/17 Funding Gap	20,650,354	0	0	0	0	20,650,354
Savings:						
Deduct ongoing Savings - 2017/18	-14,454,464	0	-2,190,573	-3,503,005	-368,849	-8,392,037
2016/17 Savings not achievable	327,835	0	327,835	0	0	0
TOTAL GROSS EXPENDITURE	583,820,758	121,893,103	188,997,132	140,278,327	20,749,814	111,902,382
Original Gross Income Requirement	-365,494,770	-39,247,960	-153,669,230	-50,454,640	-16,361,930	-105,761,010
Local Generated Pressures :						
Specific Grants Changes between years	-2,324,329	-16,720	0	0	481,180	-2,788,789
Income Growth	3,261,324	2,731,060	-1,930	58,194	444,000	30,000
Savings:						
Income Savings - 2017/18	-571,560	0	0	-571,560	0	0
TOTAL GROSS INCOME	-365,129,335	-36,533,620	-153,671,160	-50,968,006	-15,436,750	-108,519,799
NET BUDGET REQUIREMENT	218,691,423	85,359,483	35,325,972	89,310,321	5,313,064	3,382,583
Funded by:						
Council Tax	134,251,314					
Business Rates						
Business Rates Collected	39,447,278					
Estimated Reduction in Business Rates (s31 see below)	-3,860,000					
Top Up Grant	10,318,949					
RSG	20,447,511					
Collection Fund:						
Council Tax	500,000					
Business Rates	-500,000					
	200,605,052					
Funding Gap	18,086,371					
Rural Services Delivery grant - Ongoing	-1,633,119					-1,633,119
Rural Services Delivery grant - One Off	-3,674,517					-3,674,517
Transition Grant - One Off	-585,686					-585,686
New Homes Bonus - One Off	-4,269,560					-4,269,560
Improved Better Care Funding	-216,823					-216,823
Savings BF	-890,462					-890,462
One off Monitoring underspends	-960,000					-960,000
Earmarked Reserves - Freed up	-3,432,610					-3,432,610
Free up Conditional Reserves - Pensions	-2,423,594					-2,423,594
REVISED NET BUDGET REQUIREMENT (AFTER USE OF ONE OFF FUNDS)	200,605,052	85,359,483	35,325,972	89,310,321	5,313,064	-14,703,788

Draft Summary Capital Programme 2017/18

	2017/18 £	Adult Services £	Childrens Services £	Place & Enterprise £	Public Health £	Resources & Support £	HRA £
Capital Schemes							
Leisure Equipment	300,000			300,000			
Structural Maintenance of Bridges & Structures	3,500,000			35,000,000			
Structural Maintenance of Roads	10,493,000			10,493,000			
Street Lighting	800,000			800,000			
Integrated Transport	1,000,000			1,000,000			
LEP Schemes	4,600,000			4,600,000			
Flood Defences & Water Management	291,000			291,000			
Outdoor Partnerships	4,750			4,750			
Growth Point	500,000			500,000			
Planning Policy - Affordable Housing	254,000			254,000			
Broadband	6,018,844			6,018,844			
Social Care	23,000	23,000					
Private Sector Housing	250,000				250,000		
Schools - Basic Need	5,084,212		5,084,212				
Schools - Condition	3,322,364		3,322,364				
HRA Major Repairs Programme	3,769,393						3,769,393
New Build Programme	53,074						53,074
Total Capital Programme	40,263,637	23,000	8,406,576	59,261,594	250,000	0	3,822,467
Funding of Capital Programme							
Self Financed Prudential Borrowing	300,000						
Government Grants	29,748,221						
Other Grants	0						
Other Contributions	204,750						
Revenue Contributions to Capital	304,000						
Major Repairs Allowance	3,603,074						
Capital Receipts	6,103,592						
Total Capital Funding	40,263,637						

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<u>Committee and Date</u>	<u>Item</u>
Audit Committee 24 November 2016	16
Cabinet 30 November 2016	
Council 15 December 2016	
	<u>Public</u>

TREASURY STRATEGY 2016/17 – MID YEAR REVIEW

Responsible Officer James Walton
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Tel: (01743) 258915

1. Summary

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

- An economic update for the first six months of 2016/17
- A review of the Treasury Strategy 2016/17 and Annual Investment Strategy
- A review of the Council's investment portfolio for 2016/17
- A review of the Council's borrowing strategy for 2016/17
- A review of any debt rescheduling undertaken
- A review of compliance with Treasury and Prudential limits for 2016/17

1.2 The key points to note are:-

- The internal treasury team achieved a return of 0.60% on the Council's cash balances outperforming the benchmark by 0.32%. This amounts to additional income of £294,880 for the first six months of the year which is included within the Council's projected outturn position.
- In the first six months all treasury management activities have been in accordance with the approved limits and prudential indicators set out in the Council's Treasury Strategy.

2. Recommendations

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

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

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

- 4.1 The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in the year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the Council.
- 4.2 The six monthly performance is above benchmark and has delivered additional income of £294,880 which will be reflected in the Period 6 Revenue Monitor.
- 4.3 The Council currently has £175m held in investments as detailed in Appendix A and borrowing of £326m at fixed interest rates.

5. Background

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

6. Economic update

- 6.1 **Global Economy** – The US economy had a patchy 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 disappointed at 0.8% (annualised) while quarter 2 improved slightly to 1.4%. However, forward indicators are pointing towards a pickup in growth in the rest of 2016. The US Federal Reserve embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have

caused a delay in the timing of the second increase which is now strongly expected in December this year.

- 6.2 Japan continues to have weak economic growth and is making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.
- 6.3 In the Eurozone, the European Central Bank (ECB) commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected Eurozone countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017. Along with other measures this has struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. Gross Domestic Product (GDP) growth rose by 0.6% in quarter 1 2016 but slowed to 0.3% in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in their economies and economic growth.
- 6.4 UK Economy – UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates of any major advanced economy. Growth improved in quarter 4 of 2015 from 0.4% to 0.7% but fell back to 0.4% in quarter 1 of 2016 before bouncing back again to 0.7% in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.
- 6.5 The Bank of England meeting in August addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased.
- 6.6 The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. Consumer Price Index (CPI) inflation has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look through a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

7 Economic Forecast

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

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Bank rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
5yr PWLB rate	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
10yr PWLB rate	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
25yr PWLB rate	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
50yr PWLB rate	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

- 7.2 The Bank of England's Monetary Policy Committee (MPC) agreed to reduce the Bank Rate from 0.50% to 0.25% in August 2016. The MPC gave forward guidance that it expected the Bank Rate to be cut further before the end of the year and therefore Capita believes the rate will be reduced to 0.10% in December 2016. The Bank Rate is expected to remain at this historically low level until June 2018 when it is expected to rise to 0.25% before eventually rising to 0.50% in June 2019.
- 7.3 Long term PWLB rates are expected to rise slightly to 2.20% in June 2017 before gently increasing over time to reach 2.40% by June 2019.
- 7.4 An eventual world economic recovery may see investors switching from the safe haven of bonds to equities. However, there have exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates.
- 7.5 The overall balance of risks to economic recovery in the UK remains to the downside. Downside risks to current forecasts for UK gilt yields and PWLB rates include monetary policy action reaching its limit of effectiveness and failing to stimulate sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure, weak capitalisation of some European banks, a resurgence of the Eurozone sovereign debt crisis, geopolitical risks in Europe, the Middle East and Asia, and weak growth or recession in the UK's main trading partners, the EU and US.
- 7.6 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, particularly longer term PWLB rates include the pace and timing of increases in the Federal Funds rate, agreed by the US Federal Reserve, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities, and UK inflation returning to significantly higher levels than in the wider EU and US.

8. Treasury Strategy update

- 8.1 The Treasury Management Strategy (TMS) for 2016/17 was approved by Full Council on 25 February 2016. This Treasury Strategy does not require updating as there are no policy changes or any changes required to the prudential and treasury indicators previously approved.

9. Annual Investment Strategy

- 9.1 The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital. As outlined in paragraph 6 & 7 above there is still considerable uncertainty and volatility in the financial and banking market, both globally and in the UK. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate. In this context it is considered that the Annual Investment Strategy approved on 25 February 2016 is still fit for purpose in the current economic climate.
- 9.2 The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (up to 1 year), and only invest with highly credit rated financial institutions using Capita's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita. The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations. This approach has been endorsed by our external advisors, Capita Asset Services.
- 9.3 In the first six months of 2016/17 the internal treasury team outperformed its benchmark by 0.32%. The investment return was 0.60% compared to the benchmark of 0.28%. This amounts to additional income of £294,880 during the first six months which is included within the Council's projected outturn position.
- 9.4 A full list of investments held as at 30 September 2016, compared to Capita's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown in **Appendix A**. None of the approved limits within the Annual Investment Strategy were breached during the first six months of 2016/17 and have not been previously breached. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.
- 9.5 As illustrated in the economic background section above, investment rates available in the market are at an historical low point. The average level of funds available for investment purposes in the first six months of 2016/17 was £184 million.
- 9.6 The Council's interest receivable/payable budgets are currently projecting a surplus of £1.448 million as reported in the monthly revenue monitoring reports due to no long term borrowing being undertaken and investment balances being higher than anticipated.

10. Borrowing

- 10.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". Council's approved Prudential Indicators (affordability limits) are outlined in the TMS. A list of the approved limits is shown in **Appendix B**. The schedule at **Appendix C** details the Prudential Borrowing approved and utilised to date.
- 10.2 Officers can confirm that the Prudential Indicators were not breached during the first six months of 2016/17 and have not been previously breached.
- 10.3 No new external borrowing is currently required for future years, although work to develop a new capital programme and the introduction of an Investment Board is

continuing. Outline Business Case applications have been requested for a number of proposed schemes which are still in development and will be presented to the Investment Board for consideration prior to full Business Case submission. Once the programme is finalised it will be presented to Council for consideration and the prudential borrowing implications updated in the Treasury Strategy. The schemes being considered are already within the current authorised borrowing limits in place. As outlined in the table below, the general trend has been a sharp fall in interest rates during the first six months of the year across all maturity bands. The dates of the low points and high points across different maturity bands are shown in the table below.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.81%	0.95%	1.42%	2.08%	1.87%
Date	07/09/2016	10/08/2016	10/08/2016	12/08/2016	30/08/2016
High	1.20%	1.80%	2.51%	3.28%	3.08%
Date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Average	0.99%	1.33%	1.92%	2.69%	2.46%

- 10.4 During the first six months of the financial year there has been volatility in the financial markets, particularly following the vote in favour of the UK to leave the European Union, and this has had an impact on the PWLB rates. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world recovery may also see investors switching from the safe haven of bonds to equities.

11. Debt Rescheduling

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

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

Council, 25 February 2016, Treasury Strategy 2016/17

Cabinet Member:

Malcolm Pate, Leader of the Council

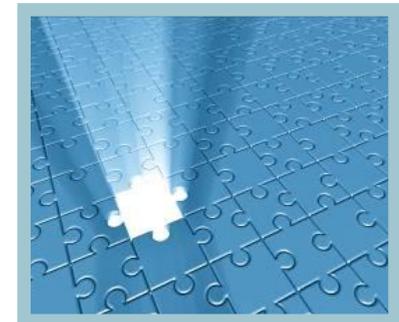
Local Member

N/A

Appendices

- A. Investment Report as at 30th September 2016
- B. Prudential Limits
- C. Prudential Borrowing Schedule

Shropshire County Council
Monthly Investment Analysis Review
September 2016



Monthly Economic Summary

General Economy

This month there was still a focus on the UK's decision to leave the European Union. The hard data released however, was more positive than many expected. Nevertheless, the path to Brexit is a long one and while the initial impact may be less than feared, it does not mean that issues will not materialise over the medium term. Furthermore, the active stance taken by the Monetary Policy Committee last month, including cutting interest rates to 0.25%, will also have likely supported the recent rebound in activity.

A boost to exports and more than a 10% fall in the value of the pound helped the PMI manufacturing activity survey recover from initial Brexit impacts and rise to a 10 month high. In August activity in the sector jumped to 53.3, from 48.2 in July. Export orders flowed at their fastest rate for two years whilst factories increased output by the highest amount since January. Construction activity also recovered in August, with the PMI headline reading rising to 49.2 from 45.9 in July, suggesting the economy is stabilising post the referendum vote. However, activity in the sector still remains slightly below 50, the level that divides "expansion" from "contraction". Economists now fear the construction industry will face further issues in the face of strong inflation pressures with raw material prices rising by their fastest pace in five years. Completing the set, service sector activity had the biggest one month gain in the PMI survey's history as it soared to 52.9 in August from 47.4 in July. This boosted the composite PMI activity reading to a five month high of 53.2. If the uplift in sentiment transfers to "hard" economic output data then it would suggest that an imminent recession will be avoided and puts the possibility of a second rate cut before the end of the year more in the balance.

The Bank of England met in September and voted unanimously to keep interest rates at a record low of 0.25% whilst also leaving the bond buying schemes unchanged. Furthermore, they improved their Q3 growth forecast, predicting that growth will be closer to 0.3% as opposed the 0.1% they originally forecast. Nevertheless, the Bank said they are still likely to cut interest rates again this year with a further cut of 0.1basis points expected when they next meet in November.

British inflation held firm remaining at an annual rate of 0.6% in August, slightly below the 0.7% forecast. Clothing and hotels had lower prices, counteracting the price rise in fuel prices, food and airfares. In terms of growth, the service sector exceeded initial estimates in Q2 and this resulted in final UK Q2 GDP growth being revised to 0.7% from 0.6%.

In the three months to August employment rose by 174,000 showing there has not yet been any post Brexit shedding. Unemployment is still expected to rise, however, as companies wait for greater clarity on the UK's exit deal from the European Union. Growth in workers' wages slowed in August, signalling a tough period ahead as British households are likely to face higher inflation as a result of the weaker pound.

UK Public Sector Net Borrowing for August registered a deficit of £10.55bn, but lower than the £11.47bn figure recorded for the same period last year. However, it failed to meet the forecast of just £10bn. The Office for National Statistics stated there was little impact from the Brexit vote as Income and Corporation Tax receipts rose strongly.

Retail sales calmed in August, falling -0.2% after strong growth in July of 1.9%. Despite the slight fall there is still a pattern of strong growth in the sector on an annual basis as sales volumes are up 6.2% compared with last year and higher than the forecast of 5.4%. John Lewis has mentioned they have noticed little impact of the Brexit vote, but they suggested that the full impact has not yet become clear.

Adding to the positive tone to data releases was figures for UK's trade balance in July. The deficit in the UK's goods balance improved to -£11.764bn in July from a revised -£12.920 in June. Conversely, the services balance fell slightly to £7.262bn in July from £7.347bn in June.

Q2 GDP growth was also published for the Eurozone this month. GDP was up 0.3% in the euro area and by 0.4% in the EU28, with annual growth rates of 1.6% and 1.8% respectively. Exports were a leading factor in this growth, increasing by 1.1% in both areas. At the individual level, Germany grew at 1.7% and France at 1.4% but Romania (5.9%) and Slovakia (3.7%) published the highest growth rates. With regards employment across the region, the unemployment rate remained at its lowest level since July 2011 at 10.1%, down from 10.7% in August a year ago. The EU 28 also remained stable at 8.6%, down from 9.3% in August 2015. The lowest unemployment rates were recorded in the Czech Republic (3.9%) and Germany (4.2%), whilst Spain remained as one of the highest, at 19.5%.

Across the Atlantic, non-farm payrolls improved by 151,000 in August, with the unemployment rate holding steady at 4.9%. This was less than the expected rise of 180,000 and a slowdown from the previous two months which had a combined rise of 546,000. Average hourly earnings only increased by a 0.1% and Americans worked fewer hours last month with average weekly hours dipping to 34.3. These figures have reignited the debate as to whether another interest rate hike before the end of the year will benefit the US economy. The final Q2 estimate for US GDP was upwardly revised this month, increasing from initial estimates of 1.1% to a 1.4% annualised growth rate. This rise was due to business' pumping more money into research and development and exports growing strongly.

Housing

Halifax house prices fell a further 0.2% in August, after falling 1.1% in July. The second consecutive month of falling house prices has caused the annual growth rate to decline to 6.9%, its lowest level in more than a year. This slowdown is supported by the British Bankers Association survey. According to the survey the number of mortgages approved fell to 36,997 in August, its lowest point since January 2015 and 21% lower than this time last year. Nationwide House prices reflect this slowdown has continued into September. While prices rose by 0.3% on the month, this was below that seen in August (0.6%) and pulled the annual rate down to 5.3% from 5.6% previously.

Forecast

Neither Capita Asset Services (CAS) nor Capital Economics altered their forecasts this month. It is mutually anticipated that another rate cut will occur in the last quarter of this year with CAS forecasting a potential hike occurring in the second quarter of 2018.

Bank Rate	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Capita Asset Services	0.10%	0.10%	0.10%	0.10%	0.10%
Capital Economics	0.10%	0.10%	0.10%	0.10%	0.10%

Shropshire County Council

Current Investment List

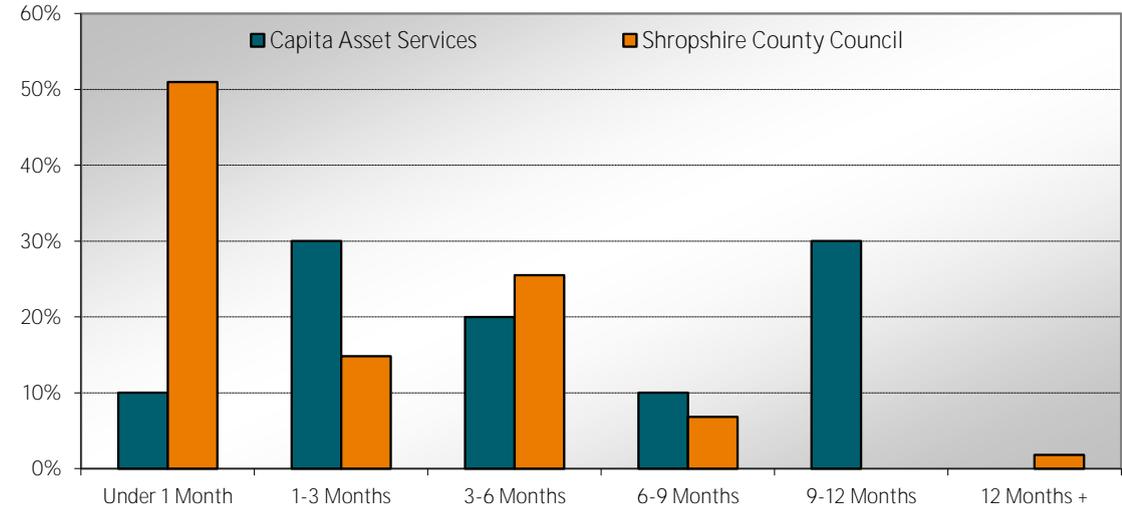
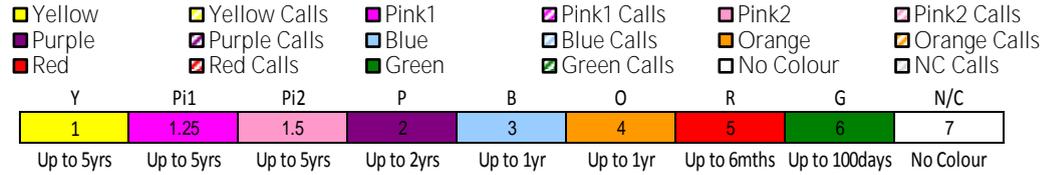
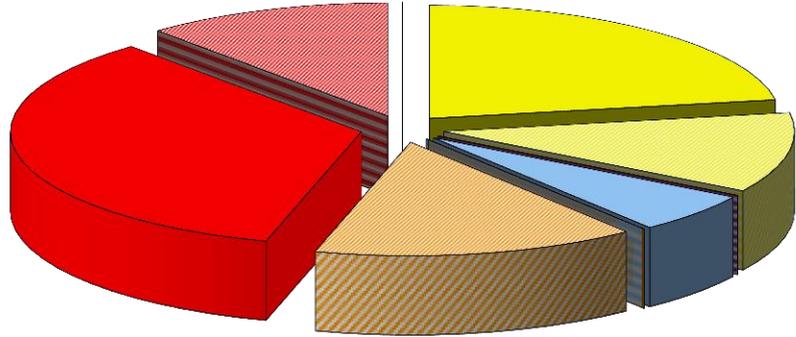
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
HSBC Bank Plc	20,000,000	0.80%		Call	AA-	0.000%
Svenska Handelsbanken AB	6,120,000	0.20%		Call	AA-	0.000%
MMF Standard Life	10,000,000	0.45%		MMF	AAA	0.000%
MMF Insight	10,000,000	0.40%		MMF	AAA	0.000%
Telford & Wrekin Council	3,000,000	0.50%	23/06/2016	03/10/2016	AA	0.000%
Lloyds Bank Plc	1,520,000	0.65%	04/07/2016	04/10/2016	A	0.001%
Lloyds Bank Plc	5,000,000	0.65%	05/07/2016	05/10/2016	A	0.001%
Lloyds Bank Plc	4,320,000	0.65%	07/07/2016	07/10/2016	A	0.001%
Lloyds Bank Plc	3,600,000	0.65%	08/07/2016	07/10/2016	A	0.001%
Nationwide Building Society	2,100,000	0.71%	12/04/2016	12/10/2016	A	0.002%
Birmingham City Council	10,000,000	0.60%	13/04/2016	13/10/2016	AA	0.000%
Lloyds Bank Plc	5,000,000	0.65%	14/07/2016	14/10/2016	A	0.003%
Barclays Bank Plc	1,750,000	0.42%	15/07/2016	17/10/2016	A-	0.003%
Suffolk County Council	2,000,000	0.20%	15/09/2016	17/10/2016	AA	0.000%
West Berkshire Council	2,000,000	0.34%	21/07/2016	20/10/2016	AA	0.000%
Suffolk County Council	3,000,000	0.25%	22/09/2016	21/10/2016	AA	0.000%
Barclays Bank Plc	5,000,000	0.32%		Call35	A-	0.006%
London Borough of Barking & Dagenham	3,000,000	0.22%	09/09/2016	09/11/2016	AA	0.001%
Lloyds Bank Plc	1,400,000	0.50%	11/08/2016	11/11/2016	A	0.008%
Barclays Bank Plc	3,250,000	0.27%	07/09/2016	07/12/2016	A-	0.012%
Barclays Bank Plc	5,000,000	0.27%	15/09/2016	15/12/2016	A-	0.014%
Lloyds Bank Plc	2,420,000	0.50%	16/09/2016	16/12/2016	A	0.014%
Nationwide Building Society	3,000,000	0.66%	20/06/2016	20/12/2016	A	0.015%
Lloyds Bank Plc	900,000	0.80%	21/06/2016	21/12/2016	A	0.015%
Nationwide Building Society	2,000,000	0.66%	22/06/2016	22/12/2016	A	0.015%

Shropshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Santander UK Plc	15,000,000	0.90%		Call95	A	0.017%
Leeds Building Society	2,000,000	0.44%	11/07/2016	11/01/2017	A-	0.019%
Highland Council	3,000,000	0.29%	16/09/2016	16/01/2017	AA	0.002%
Nationwide Building Society	2,900,000	0.40%	15/08/2016	15/02/2017	A	0.025%
Coventry Building Society	5,000,000	0.35%	16/08/2016	16/02/2017	A	0.026%
Lancashire County Council	10,000,000	0.60%	27/05/2016	27/02/2017	AA	0.003%
Leeds Building Society	1,000,000	0.39%	30/09/2016	30/03/2017	A-	0.033%
Lloyds Bank Plc	2,580,000	0.65%	30/09/2016	30/03/2017	A	0.033%
Lloyds Bank Plc	3,260,000	0.65%	30/09/2016	30/03/2017	A	0.033%
Leeds Building Society	2,000,000	0.34%	14/09/2016	14/05/2017	A-	0.041%
National Westminster Bank Plc	10,000,000	0.75%	15/06/2016	14/06/2017	BBB+	0.105%
Leeds City Council	3,200,000	0.22%	30/08/2016	31/10/2017	AA	0.008%
Total Investments	£175,320,000	0.56%				0.013%

Portfolio Composition by Capita Asset Services' Suggested Lending Criteria



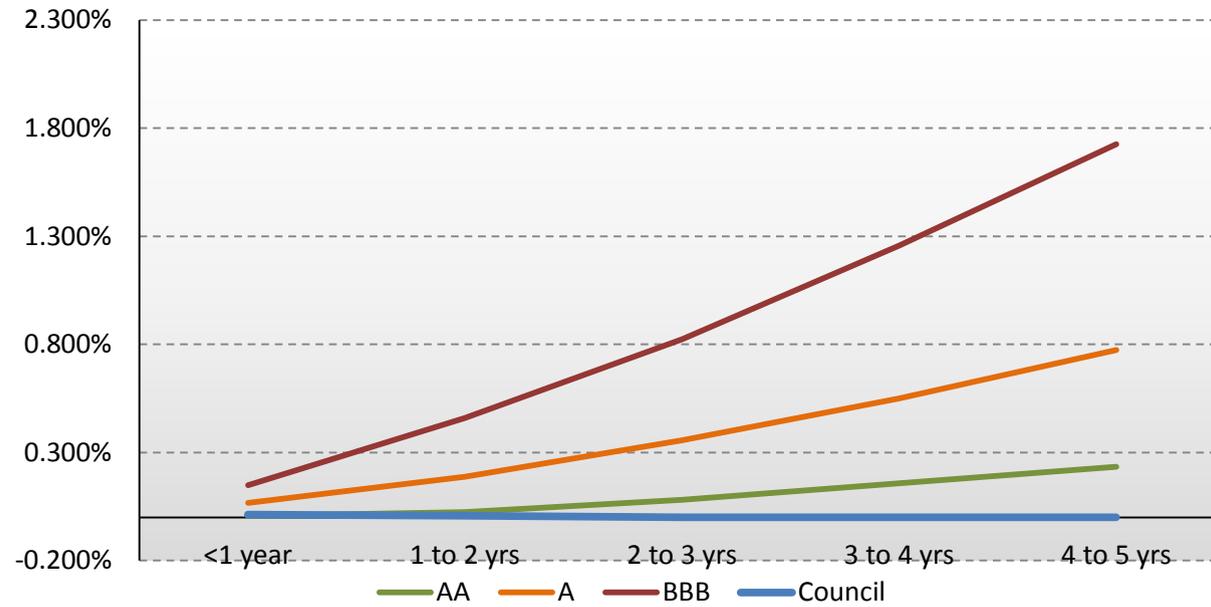
Portfolios weighted average risk number = **3.39**

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/ECFs	
									WAM	WAM at Execution
Yellow	33.77%	£59,200,000	33.78%	£20,000,000	11.41%	0.44%	59	121	89	182
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	5.70%	£10,000,000	0.00%	£0	0.00%	0.75%	257	364	257	364
Orange	14.90%	£26,120,000	100.00%	£26,120,000	14.90%	0.66%	0	0	0	0
Red	45.63%	£80,000,000	25.00%	£20,000,000	11.41%	0.58%	77	121	76	134
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%	£175,320,000	37.71%	£66,120,000	37.71%	0.56%	70	117	97	173

Investment Risk and Rating Exposure

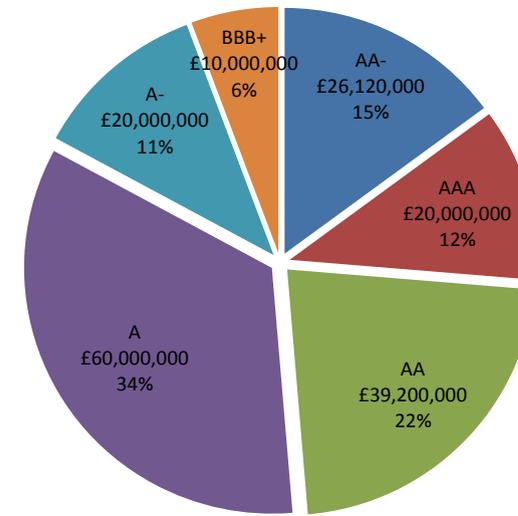
Investment Risk Vs. Rating Categories



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%	0.024%	0.081%	0.158%	0.234%
A	0.067%	0.189%	0.356%	0.551%	0.775%
BBB	0.150%	0.460%	0.824%	1.257%	1.726%
Council	0.013%	0.008%	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.

Shropshire County Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
07/09/2016	1472	Newcastle Building Society	U.K.	Affirmed and withdrew the ratings of Newcastle Building Society. Long Term Rating affirmed at 'BB+', 'Stable Outlook', Rating Withdrawn. Short Term Rating affirmed at 'B', Rating Withdrawn.

Shropshire County Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
16/09/2016	1473	Norddeutsche Landesbank Girozentrale	Germany	Long Term Rating downgraded to 'A3' from 'A2', removed from 'Negative Watch' and placed on 'Negative Outlook'. Short Term Rating downgraded to 'P-2' from 'P-1', removed from 'Negative Watch'.

Shropshire County Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
19/09/216	1474	Finland Sovereign Rating	Finland	Affirmed at 'AA+', Outlook changed to 'Stable' from 'Negative'.

Appendix B

Prudential Indicators – Quarter 2 2016/17

Prudential Indicator	2016/17 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	246	253	253		
HRA CFR	85	85	85		
Gross borrowing	324	329	326		
Investments	140	173	175		
Net borrowing	184	156	151		
Authorised limit for external debt	449	329	326		
Operational boundary for external debt	402	329	326		
Limit of fixed interest rates (borrowing)	449	329	326		
HRA debt Limit	96	85	85		
Limit of variable interest rates (borrowing)	225	0	0		
Principal sums invested > 364 days	40	0	0		
Maturity structure of borrowing limits	%	%	%		
Under 12 months	15	2	3		
12 months to 2 years	15	2	2		
2 years to 5 years	45	4	6		
5 years to 10 years	75	6	2		
10 years to 20 years	100	31	32		
20 years to 30 years	100	21	21		
30 years to 40 years	100	16	16		
40 years to 50 years	100	10	10		
50 years and above	100	8	8		

* Based on period 6 Capital Monitoring report

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Capital Financing 2016/17 - Period 6

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	Applied Outturn 15/16 2015/16	Budgeted Period 6 16/17 2016/17	First year MRP Charged	Asset Life	Final year MRP Charged	
		£	£	£	£	£	£	£	£	£	£	£	£	£			
Monkmoor Campus	24/02/2006	3,580,000															
Capital Receipts Shortfall -Cashflow Applied:	24/02/2006	5,000,000															
Monkmoor Campus			3,000,000		0												2007/08 25 2031/32
William Brooks					0		3,580,000										2011/12 25 2035/36
Tern Valley					2,000,000												2010/11 35 2044/45
		8,580,000	3,000,000	0	2,000,000	0	3,580,000	0	0	0	0	0	0				
Highways	24/02/2006	2,000,000	2,000,000														2007/08 20 2026/27
Accommodation Changes	24/02/2006	650,000	410,200	39,800													2007/08 6 2012/13
Accommodation Changes - Saving	31/03/2007	(200,000)															
		450,000	410,200	39,800	0												
The Ptarmigan Building	05/11/2009	3,744,000				3,744,000											2010/11 25 2034/35
The Mount McKinley Building	05/11/2009	2,782,000				2,782,000											2011/12 25 2035/36
The Mount McKinley Building	05/11/2009	0					-										2011/12 5 2015/16
Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation	25/02/2010	187,600				187,600		-	-	-	0	-	-				2010/11 25 5 2014/15
Carbon Efficiency Schemes/Self Financing	25/02/2010	1,512,442					115,656	1,312,810	83,976	-	-	-	-				2011/12 5 2017/18
Transformation schemes		92,635						92,635	-	-							2012/13 3 2014/15
Renewables - Biomass - Self Financing	14/09/2011	92,996						82,408	98,258	(87,670)	-						2014/15 25 2038/39
Solar PV Council Buildings - Self Financing	11/05/2011	56,342						1,283,959	124,584	(1,352,202)	-						2013/14 25 2038/39
Depot Redevelopment - Self Financing	23/02/2012	0							-	-	-						2014/15 10 2023/24
Oswestry Leisure Centre Equipment - Self Financing	04/04/2012	124,521						124,521									2012/13 5 2016/17
Leisure Services - Self Financing	01/08/2012	711,197							711,197								2013/14 5 2016/17
Mardol House Acquisition	26/02/2015	4,160,000									4,160,000	-					2015/16 25 2039/40
Mardol House Adaptation and Refit	26/02/2015	3,340,000									167,641	3,172,358.86	-				2016/17 25 2041/41
Previous NSDC Borrowing		955,595			821,138	134,457											2009/10 5/25
		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	3,172,359	0				
									0	0	0	0	0				

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Committee and Date
Pension Committee
25 November 2016

Council
15 December 2016

Item

17

Public

LGPS CENTRAL - INVESTMENT POOLING

Responsible Officer James Walton

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

Tel: (01743)
258915

1. Summary

- 1.1 This report outlines the changes that will be required to the operational and governance arrangements for the Shropshire County Pension Fund following recent amendment of the Local Government Pension Scheme (LGPS) Investment Regulations.
- 1.2 The revised regulations require all LGPS administering authorities in England and Wales to enter into joint (pooled) arrangements with other LGPS pension funds for the management of their investment assets, with effect from 1st April 2018, in order to achieve scale economies and increase investment capacity.
- 1.3 The Shropshire County Pension Fund has been working with seven partner funds on a proposal which will meet the criteria for pooling laid down by the Secretary of State, by establishing a jointly owned investment management company, to be known as 'LGPS Central'.
- 1.4 The proposal to establish LGPS Central is supported by a comprehensive business case, approved at Pensions Committee on 28 June 2016. The business case has been reviewed by a joint Department for Communities and Local Government/Treasury (HMT) Review Panel, and Ministerial consent has been received. Each participating Pension Fund will be taking the recommendations as set out in this report to their respective administering authority Full Council Meeting's in order to approve these recommendations and formally approve the pooling arrangements. Proceeding with the proposals set out in this report, therefore, is subject to the approval of all the participating Pension Funds, which will be sought at their respective Council meetings over the coming months.
- 1.5 These recommendations and the content of this report were both approved by the Pension Committee on 25 November 2016 and the Pension Committee recommend that Council approves the following recommendations.

2. Recommendations

Council are asked to approve the following recommendations:-

- 2.1 To enter into an Inter Authority Agreement with Cheshire West & Chester Council, Derbyshire County Council, Leicestershire County Council, Nottinghamshire County Council, Staffordshire County Council, Wolverhampton City Council and Worcestershire County Council to establish a joint pension fund investment pool, in accordance with the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and pursuant to that Inter Authority Agreement set up; and operate a Joint Committee under s102 of the Local Government Act 1972 to oversee the joint investment arrangements.
- 2.2 To agree that Cheshire West and Chester shall provide governance and administrative support to the Joint Committee on behalf of the participating Council's, subject to the appropriate cost sharing arrangements in respect of officer time and other expenses.
- 2.3 To become a joint shareholder of LGPS Central; a private company, limited by shares, held solely by the participating funds named in recommendation 2.1, on a 'one fund, one vote' basis; incorporated for investment management purposes and regulated under the Financial Services and Markets Act 2000.
- 2.4 To authorise the Shropshire Council Member who holds either the position of Chair or Vice Chair of the Shropshire County Pension Fund, to appoint themselves or other Shropshire Council Members of the Pension Committee to undertake the following roles:
 - i) To act as the Council's representative on the Joint Committee;
 - ii) To exercise the Council's voting rights as a shareholder of LGPS Central, to be exercised in consultation with the Head of Finance Governance & Assurance (s151 Officer) where the vote is in respect of a Reserved Matter as set out in Schedule 1 of the Shareholders agreement;and each Member so appointed shall have delegated authority to undertake such roles.
- 2.5 To agree that the Shropshire Council Members appointed under recommendations 2.4 above shall be authorised to appoint a substitute, provided that substitute is a Shropshire Council Member of the Pensions Committee, and agree that, wherever possible, the Member (or their substitute) appointed to the Joint Committee shall not be the same Member as currently appointed to the Shareholder Forum, so as to avoid potential conflicts of interest.
- 2.6 To agree that the signatory on behalf of the Council as Shareholder shall be the Council's Head of Legal & Democratic Services.

- 2.7 To appoint the Head of Finance Governance & Assurance (s151 Officer) and Scheme Administrator of the Pension Fund or their nominated representative to represent the Council on a Practitioner Advisory Forum, providing joint officer support to the Joint Committee and Shareholder Forum.
- 2.8 To approve the revised terms of reference for the Shropshire County Pension Fund Committee as set out in Appendix 3 to this report.
- 2.9 To delegate authority to the Head of Finance Governance & Assurance (s151 Officer) in consultation with the Shropshire Council Chair or Vice Chair of the Pension Committee to negotiate and agree all necessary legal agreements to establish a joint asset pool and investment management company as outlined in this report and to implement the recommendations and to authorise their execution.

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.

4. Financial Implications

- 4.1 There is no direct impact on the Council's revenue or capital budgets as all costs (including regulatory capital) will be met from the Pension Fund.
- 4.2 The estimated cost of setting up the jointly owned company is £3.2 million, this will be shared equally between the participating funds, with Shropshire's share being around £400,000. There will also be significant transition costs as existing investment mandates are unwound and funds are transferred into new collective investment vehicles. It is not possible to accurately predict these costs, but the business case includes an estimate of £50million. Transition costs will be shared between the funds on an equitable basis.
- 4.3 In addition, as the new company will be a regulated entity, under Financial Conducts Authority (FCA) rules, it will need to hold regulatory capital to guarantee its solvency. The regulatory capital requirement is expected to be in the region of £10 million (£1.25 million per pension fund).
- 4.4 Estimated net total savings for the pool are in the region of £182 million over a period from 2018/19 to 2032/33, with annual savings of around £29 million being achieved by the end of this period. The comparative figures for the Shropshire County Pension Fund are £41.8 million and £3.5 million respectively.

5. Background

- 5.1 The LGPS is one of the largest funded pension schemes in the world with combined assets of around £200 billion. These are managed by 89 local administering authorities, who historically, have maintained separate arrangements of scheme assets, overseen by their respective Pension Fund Committees.
- 5.2 Between them it is estimated that administering authorities incur total administrative and management costs of around £500 million per year, a significant proportion of which relates to investment management fees paid to external fund managers. Funds often use the same managers, offering the same or similar services but appointed under separate agreements and on different fee terms.
- 5.3 Funds also vary significantly in scale; large funds enjoy direct access to a wide range of investment markets and products and can often negotiate more competitive fees, whilst smaller funds have more restricted options due to lower levels of investible resources, and expertise and have less negotiating power in the market.
- 5.4 Over the past two and half years the government has explored a number of options for improving the efficiency and sustainability of the scheme, and has undertaken extensive consultation on the potential to deliver savings through greater collaboration. A national cost benefit exercise, led by Hymans Robertson concluded that significant savings could be achieved through greater use of collective investment approaches, provided that certain regulatory restrictions were removed.
- 5.5 Subsequently, the government announced its intention to introduce a new regulatory framework which would facilitate collective investing and issued guidance and criteria to help administering authorities to develop proposals for pooling aimed at reducing costs and improving efficiency. Initial proposals were required by February 2016, followed by more detailed business case submissions in July 2016, with a target implementation date of 1st April 2018. The government also announced that 'backstop' powers would be introduced to allow the Secretary of State to intervene where authorities failed to bring forward sufficiently ambitious proposals in accordance with the guidance and criteria issued.
- 5.6 The reasons for the recommendations are to allow the Council to comply with updated LGPS Investment Regulations which came into effect in November 2016, requiring all administering authorities to commit to an investment pooling arrangement which meets the criteria and guidance laid down by the Secretary of State in November 2015.
- 5.7 Where authorities fail to comply with the criteria and guidance, the Secretary of State has powers to intervene, and to issue a Direction requiring changes to investment strategies and investment management arrangements, or the transfer of the investment

functions of an administering authority, either to himself or a nominated party.

- 5.8 The proposal to establish LGPS Central is supported by a comprehensive business case, which demonstrates the potential for significant savings in investment costs and management fees over the longer term, without detriment to investment performance and local accountability.

6. LGPS Central

- 6.1 Prior to the government's announcement, the Shropshire County Pension Fund has already established close working links with a number of other funds in, and around, the Midlands area and had begun to explore the scope for wider collaboration, starting with a successful joint procurement exercise in 2015, which resulted in a substantial fee saving on the funds' passively managed equity portfolio. The fee reduction achieved was in the region of 50%; in cash terms around £100k per annum for the Shropshire Fund.
- 6.2 These informal links become the starting point for wide discussions in the context of the formal requirement for pooling, resulting in a joint proposal from Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire to create 'LGPS Central', with combined assets of £35 billion.
- 6.3 Following confirmation from the Minister that this proposal was acceptable, a joint working group of officers, supported by external advisors, developed a detailed business case setting out how LGPS Central will meet the four key assessment criteria laid down by the government :-
- Criteria 1 – Asset pool(s) that achieve the benefits of scale (£25 billion plus)
- Criteria 2 – Strong governance and decision making
- Criteria 3 – Reduced costs and value for money
- Criteria 4 – Improved capacity and capability to invest in Infrastructure
- 6.4 Detailed reports have been presented to the Shropshire County Pension Fund Committee, explaining the key elements of the business case and seeking their approval for the proposed governance, oversight and management structure of the pool, which is summarised in Appendix 1.
- 6.5 The structure will allow participating funds to exercise control (both individually, and collectively) over the new arrangements, not only as investors in the pooled fund, but also as shareholders of the operator company, LGPS Central.

- 6.6 Whilst assets will be managed on a pooled basis, each fund will be able to exercise their investor rights independently, although clearly, benefits of scale will most effectively be harnessed where parties work together, in a co-ordinated way to align their decision making. An important example being social, environmental and governance policies and policies on the exercise of voting rights, where cross-voting between funds within the same pool would be both costly to administer and counter-productive.
- 6.7 The Joint Committee will be the forum for dealing with common investor issues, and for collective monitoring of the performance of the pool against the objectives set out in the LGPS Central business case submission. The Joint Committee will however, have no formal decision making powers and recommendations will require the approval of individual authorities, in accordance with their local constitutional arrangements. An overview of the draft Inter Authority Agreement setting out the relationship between the participating pension Funds and the operation of the Joint Committee is set out in Appendix 2.
- 6.8 The Shareholder Forum, operating under company law, will have formal decision making powers. The Shropshire County Pension Fund will have equal voting rights alongside the other participating funds, and unanimous decisions will be required on key strategic matters, which will be specified in the company Shareholders Agreement and Articles of Association. This will include the appointment and dismissal of the company's senior executives, approval of the company's strategic plan and any significant financial transactions, such as major acquisitions and lending or borrowing. An overview of the Shareholder Agreement and key principles of the Articles of Association is set out in Appendix 2.
- 6.9 The degree of control to be exercised by the Shareholders through their reserve powers will be greater than is generally the case, in order to satisfy the Teckal exemption criteria (as now set out in Regulation 12 of the Public Contracts Regulations 2015) and allow the company to undertake services on behalf of the investor funds without a formal procurement process.
- 6.10 In order to avoid potential conflicts of interest and to maintain clarity over the governance arrangements, it is recommended that the Council nominates different representatives to the Joint Committee and the Shareholder Forum.
- 6.11 The government has also made clear their expectation that pooled entities must be registered with the Financial Conduct Authority (FCA) and regulated under the Financial Services and Markets Act 2000, to ensure appropriate safeguards over the management of client monies. As such, the new LGPS Central company will be subject to on-going oversight by the regulator and key management positions, including the company directors will need to be 'approved persons', able to demonstrate appropriate knowledge, expertise and track

record in investment management. They will also carry significant legal, personal liability for their actions and decisions.

- 6.12 The relative merits of buying, or renting an established operator to manage the day to day running of the pool, have been carefully considered against the benefits of setting up a jointly owned company, with associated shareholder rights. The constituent funds unanimously agreed that the latter option, whilst more expensive, offers significant advantages in terms of great flexibility and control, and this is the basis upon which the business case has been developed.
- 6.13 Staff who are currently employed by the partner Funds to manage their investments will transfer under the Transfer of Undertakings (Protection of Employment) regulations (TUPE) to the new company. As the Shropshire County Pension Fund does not currently have an in-house investment team, no staff transfer implications are anticipated for the Council, although the ability to access internal investment resources through the pool offers potential for additional future savings.
- 6.14 The detailed business case has been reviewed by a joint DCLG/HMT Review Panel, and Ministerial consent to proceed has been received.

7. Impact on the role of the Shropshire Pension Fund Committee

- 7.1 The current terms of reference for the Shropshire County Pension Fund are attached in Appendix 2, along with suggested amendments to reflect their post-pooling responsibilities.
- 7.2 For the most part, the role of the Committee will be unaffected by the implementation of pooling and the creation of LGPS Central. The Committee will continue to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.
- 7.3 Importantly, they will also continue to be responsible for communicating with individual scheme members, whose benefits are guaranteed in law, and are therefore not affected by the new pooling arrangements or investment performance.
- 7.4 Responsibility for appointing investment managers and overseeing their performance, including any decision to dismiss, will however transfer to the Company, as will tactical decisions on the implementation of the overall investment strategy and the choice of specific investment vehicles.

8. Legal Aspects

- 8.1 Shropshire as an administering authority, will enter in to the joint agreements forming LGPS Central, establishing a Joint Committee,

representation on the relevant bodies described and modifying the terms of reference of the Shropshire Pension Fund Committee, in reliance on the exclusive rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, 112 and 113 of the Local Government Act 1972 and the regulations made under these Acts; together with the general power within section 2 of the Localism Act 2011 and the supporting provisions within section 111 of the Local Government Act 1972.

- 8.2 These powers are exercised as a response to the Chancellor's requirement in 2015 to pool pension assets to seek savings in management and administrative costs. The proposals are subject to approval by the Secretary of State. Whilst the government has not yet imposed a statutory mechanism for implementing pooled funds, there is a provision included in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 that came into force on 1 November 2016 whereby the Secretary of State can require those administering authorities who do not come forward with sufficiently ambitious proposals to pool their assets with others. Shropshire has determined to be proactive in its arrangements and develop the model of pooled funds as described in this report via devolved powers.

9. Risks and how Reduced

- 9.1 The key risks are:-
- failure to achieve the statutory implementation deadline of 1st April 2018
 - failure to manage costs and savings in line with the agreed business case
 - failure to meet the requirements of the FCA regulator
 - failure to recruit appropriately skilled and experienced senior personnel to the new company
- 9.2 Comprehensive programme governance arrangements are in place to ensure that the statutory deadline for the implementation of pooling is achieved and that costs and savings are managed in accordance with the agreed business case. The s151 officers of each of the participating funds sit on the LGPS Central Programme Board and regular joint meetings are held between the Chairs and Vice-Chairs of the respective Pension Fund Committees to ensure effective member oversight of progress and delivery. The Shropshire County Pension Fund Committee and Local Pensions Board are also being updated regularly on key developments and decisions, as are the fund employers.
- 9.3 Expert advisers have been appointed to provide support on legal matters, FCA registration, taxation and overall programme management, and professional recruitment consultants are being appointed to assist and advise on executive recruitment and remuneration.

10. Alternative options

- 10.1 The options of renting or buying an operator to manage the pool (rather than setting up a wholly owned company), have been considered and rejected due to market risk (limited supplier choice), and on governance grounds. The option of setting up a non-incorporated shared service arrangement has also been rejected due to significant regulatory risk. It is planned that monthly briefing notes will be circulated to Pension Committee members in order to keep them informed of the progress in setting up the LGPS Central investment pool. The first one was produced in May 2016.

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

Pensions Committee, 28 June 2016, LGPS Central Investment Pooling
 Shareholders Agreement
 Inter Authority Agreement
 Articles of Association

Cabinet Member

Malcolm Pate, Leader

Local Member

N/A

Appendices

- 1 – Eversheds governance structure paper
- 2 – Overview of governance documents
- 3 – Pension Committee Terms of Reference

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LGPS Central

Summary of LGPS Central Governance Structure

7 November 2016

LGPS Central

Summary of LGPS Central Governance Structure

This advice note has been prepared solely for LGPS Central (and its participating authorities) to provide a summary explanation of the structure of the LGPS Central governance arrangements and may be circulated to authorities' committees when seeking approval for the structure. We do not accept liability to any other person in respect of this advice note. This note is intended to be a summary of the structure and the detailed and definitive provisions of the governance structure can be found in the company's Articles of Association, the Shareholders Agreement and the Inter Authority Agreement (containing the Joint Committee's terms of reference and constitution and the terms of reference for the Practitioners Advisory Forum).

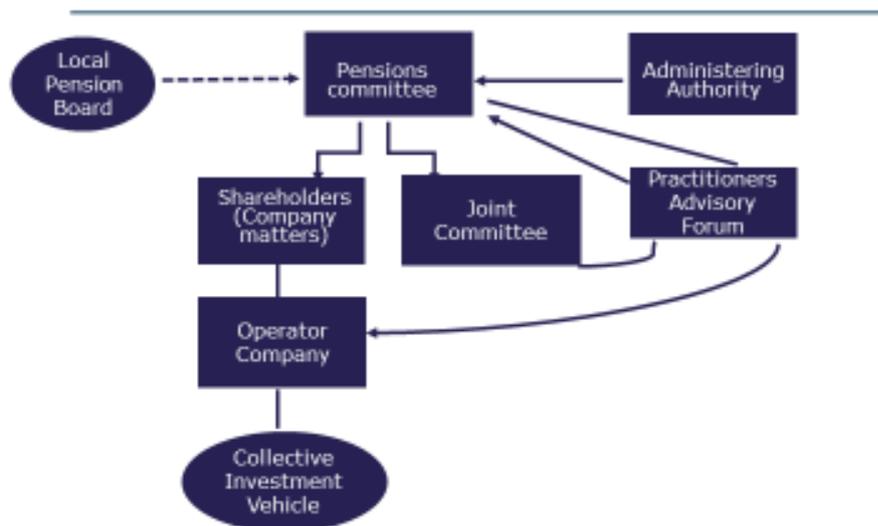
1. Background

1.1 We have been asked to provide a high level summary of the LGPS Central governance structure, in particular setting out the roles and interactions of the key bodies, including LGPS Central Limited, the shareholder representatives, the Joint Committee and the Practitioners Advisory Forum.

1.2 Please note that the administering authorities retain their core duties and responsibilities as the administering authorities of their respective LGPS funds. Administering authorities may need to review their current internal governance arrangements to see if they will need reviewing once pooling is implemented (and/or to deal with the transition period whilst assets are being moved over to the pool).

1.3 In broad terms the governance structure is summarised in the following diagram:

Summary of Governance Structure



Summary of LGPS Central Governance Structure

2. **LGPS Central Limited**

- 2.1 LGPS Central Limited is a private company limited by shares. The company was incorporated in England and Wales on 13 October 2016 with registered number 10425159 under the Companies Act 2006. Its registered office is at Mander House, Wolverhampton.
- 2.2 The company has been formed to act as an alternative investment fund manager to run and operate one or more collective investment vehicles (including an Authorised Contractual Scheme ("ACS")) to allow the administering authorities to pool their respective investments. In due course the company will become authorised by the Financial Conduct Authority.
- 2.3 The company will be run by a board of directors which will comprise of three non-executive directors and two executive directors. Directors are appointed (and can be removed) by the shareholders.
- 2.4 The company will have eight shareholders, Cheshire West and Chester Borough Council, Derbyshire County Council, Leicestershire County Council, Nottinghamshire County Council, Shropshire Council, Staffordshire County Council, Wolverhampton City Council and Worcestershire County Council. West Midlands Combined Authority is not a shareholder but will be represented through Wolverhampton City Council.

3. **Shareholder Representatives**

- 3.1 Shareholder meetings will be the forum for dealing with the shareholder rights of the eight administering authorities as individual shareholders in the Operator. This is distinct from investor/customer matters dealt with by the Joint Committee (see below).
- 3.2 Each shareholder exercises one vote. Certain major decisions (e.g. changes to articles of association, rights in shares, buy-back of shares etc) which would have an effect on the shareholders' rights are usually required, through the Companies Act 2006, to be approved by the shareholders at a general meeting called by the directors of the company.
- 3.3 Shareholders can also via a 'Shareholders' Agreement' provide that the company can only take certain actions with their prior approval (such as adopting strategic plan, board changes, entry into/termination of certain key contracts, changes to key employee terms and conditions).
- 3.4 In order to retain sufficient control over the company to address 'Teckal' issues from a procurement perspective, the Shareholders Agreement needs to provide that certain key strategic shareholder decisions will require unanimous approval of all the shareholders before they can be approved at a shareholder meeting. These are known as 'reserved matters' and are set out in the Shareholders Agreement.
- 3.5 Meetings of the shareholders are subject to the requirements of the Articles of Association of the Operator, the terms of the Shareholders Agreement and general company law. They are therefore subject to different rules to a Joint Committee meeting (for example in relation to areas such as access to information and voting rules) and for this reason shareholder meetings need to be kept separate from Joint Committee meetings.
- 3.6 It is intended that shareholders will meet at least two times a year.
- 3.7 Each authority will be represented at shareholder meetings by an appointed representative of that authority. This may or may not be the same individual that represents the authority on the Joint Committee. This is a matter for each authority to decide.
- 3.8 Having different individuals at the shareholder level and on the Joint Committee would clearly help to manage conflicts of interest (should they arise) and may assist in retaining clarity of governance functions being carried out. However it should equally be possible to put in place an appropriate conflicts policy to deal with potential conflicts.

Summary of LGPS Central Governance Structure

4. **Joint Committee**

- 4.1 The Joint Committee will be the forum for discussing common investor/customer issues relating to the Operator and the ACS.
- 4.2 Each administering authority will be an individual investor in the ACS (and any other pooled vehicles managed by the Operator) and therefore each authority will have investor rights afforded by the suite of key investor documents which, in the case of the ACS, are made up of the constitutive deed, application form, key investor information, prospectus and FCA handbook of rules and guidance. These investor rights are embedded in those documents and cover matters including the right to withdraw from the pooled vehicle, investor reporting (including frequency and content) and investor voting rights (for example, on proposed changes to the pooled vehicle).
- 4.3 The administering authorities do not want to delegate their actual key investment decision making powers or investor rights to the Joint Committee. Instead these will be retained for exercise by the individual administering authorities through their pension committees in the normal way, subject to consideration of any recommendations the Joint Committee may make.
- 4.4 It is expected the Joint Committee will meet twice a year (with support from the Practitioners Advisory Forum) to discuss and agree a common consensus view on investor issues such as:
 - 4.4.1 Operator service delivery and KPIs; and
 - 4.4.2 other Pool related investment issues, for example adopting common approaches to investment policies (for example common social, environmental and corporate governance policies or policies on voting rights).
- 4.5 The Joint Committee would not make binding decisions on any of these issues but would make recommendations back to each administering authority (via the Practitioners Advisory Forum) to individually approve. Where any issues do need to be resolved, these will be decided by a majority vote and again each administering authority represented on the committee exercises one vote.
- 4.6 A joint committee structure established under the Local Government Act 1972 provides a tried and tested structure that delivers a clear and transparent separation of shareholder matters and investor/customer matters.

5. **Practitioners Advisory Forum**

- 5.1 The Forum will be made up of an officer from each administering authority (such as the Section 151 officer or a pension fund officer). The Forum is not a legal entity but a working group of officers. The terms of the Forum will be set out in an Inter Authority Agreement confirming how the Forum will be comprised, operate and be resourced and funded.
- 5.2 As this is a working group of officers, no statutory functions can be delegated to the Forum. The Role of the Forum is:
 - 5.2.1 To support the meetings of the Joint Committee and action the Joint Committee's recommendations back to the administering authorities;
 - 5.2.2 To act as a mechanism to facilitate discussions between the individual administering authorities as investors and the Operator; and
 - 5.2.3 To analyse the Pool-wide investment performance of the Operator, including its investment costs, customer service and delivery of wider investor services such as voting and responsible investment. The Forum will also review risk management and compliance arrangements from an investor perspective.
- 5.3 The Practitioners Advisory Forum would not have a formal role at shareholder meetings but could attend to deliver presentations etc.

LGPS Central

Summary of LGPS Central Governance Structure

Eversheds LLP

7 November 2016

Privileged and confidential

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SUMMARY OF GOVERNANCE DOCUMENTATION

As per the governance structure set out in Appendix 1, the governance arrangements are comprised in the following draft documents:

- Articles of Association
- Shareholders Agreement
- Inter Authority Agreement

The documents relate to the Council's differing roles (as the Administrating Authority for the Pension Fund) in the project as both a Shareholder in the company, LGPS Central, and as an investment customer of LGPS Central.

Shareholder documents

As the Shareholder, the Council's role will be as a joint owner of the company with the collective discussions of the joint owners taking place at private Shareholder meetings, carried out in accordance with company law. This role, and the relationship between the joint owners would be governed by the Articles and the Shareholders Agreement.

Articles of Association

As LGPS Central Limited is a private company limited by shares, the company's Articles of Association are essentially the Company's constitution governing how it operates, the powers and responsibilities of the Directors and they ensure the company complies with company law.

The Articles include the following issues relevant to the role of the Shareholders:

- the liability of the shareholders being limited to the amount unpaid on their £1 share;
- the process by which a Shareholder may cease to be a shareholder in the company on at least 12 months' notice;
- the process for the declaration of dividends and any payment of dividends to the Shareholders;
- arrangements for the calling and the operation of Shareholder meetings, which will require a quorum of 4, where every Shareholder has one vote;

The Shareholders have no role in the day to day operation of the company, which are carried out by the Board of Directors, but are consulted on key strategic and operational matters of the company and these matters are set out in the list of Reserved Matters in the Shareholders Agreement.

Shareholders Agreement

This is an agreement between the Shareholders and the Company which supplements some of the issues contained within the Articles and sets out the objectives and financing of the company. It establishes some co-operation between the Shareholders of the company to set out their common objectives as joint owners of the company and sets out a framework as to how the Shareholders will act in relation to the company.

The Agreement includes:

- the requirement for the company to develop strategic plans and annual budgets;
- that dividends are to be distributed after profits are used to reduce Annual Operating Charge payable by each Shareholder;
- provision for Shareholder meetings to be held 2 times a year;
- agreement between the Shareholders about their conduct, including acting in good faith towards each other and acting to promote and develop the company;
- further detail around the process for exit by a Shareholder;
- the establishment of a policy and a committee to agree the remuneration of Directors, with any increase in remuneration and the policy to be approved by a Shareholder majority of 75%;
- the list of Reserved Matters which require Shareholder approval prior to being implemented by the company and a process to resolve a deadlock situation between Shareholders, which include:
 - the need for unanimous decisions on:
 - extending the agreed scope of the business undertaken by the company;
 - alter the company's Articles;
 - admit any additional shareholders or investors;
 - decisions to wind the company up;
 - appointment and removal of Directors;
 - appointing and removing auditors;
 - approving annual accounts;
 - the need for majority decisions on:
 - establishing and amending any employee pension scheme;
 - declaration and payment of dividends;
 - adopting or amending a written conflicts policy;
 - entering into capital commitments or operating leases above set limits, unless approved in the strategic plan.

Investment Customer documents

As an investor in the collective investment vehicle operated by the company, the Council has a customer role relating to the Pension Fund's investments. As set out in Appendix 1, discussions between the Pension Funds investing as the company's customers will take place through the Joint Committee, whose meetings will operate through the usual public law requirements for such committee meetings.

Inter-Authority Agreement

The Agreement establishes the Joint Committee between the Councils acting as the Administering Authorities on behalf of the investing Funds and sets out the Committee's role and operation matters which includes:

- setting out the shared objectives of the members of the Committee;

- establishing Cheshire West and Chester Council as the lead authority to administer the Joint Committee, with the ability to recover its costs;
- a requirement for 2 meetings a year;
- sets the scope of discussions to be held by the Committee, which include matters requiring investor approval and matters relating to the company's delivery of investment services to the Funds;
- process for withdrawal and termination of the agreement, and for dispute resolution
- a constitution for the Joint Committee, including each Council being represented by one elected member, the appointment of a Chair and establishing a quorum of 5;
- Terms of Reference for the Joint Committee and the Practitioners Advisory Forum and the relationship between the two bodies.

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COMMITTEE TERMS OF REFERENCE – PROPOSED CHANGES

Pension Fund Committee

Under the Cabinet structure in local government, management of the pension fund is a non-executive function and this is reflected in the Shropshire Council Governance Structure.

The Pensions Committee was established in 1994 with responsibilities for all matters relating to the management and administration of the Shropshire County Pension Fund. The Pensions Committee is a standing committee of the Council and is linked to Full Council by virtue of the Chairman or Vice Chairman being a Shropshire Council member. It meets formally at least quarterly and more frequently if formal decisions are required. In between meeting's Chairman's approval may be sought.

The Pension Fund Committee's key responsibilities are to advise the Council on the management of the Shropshire County Pension Fund, including the management and administration of benefits and strategic management of Fund assets. The Committee is supported by the advice from an independent advisor and investment consultant. One advises on strategic issues and overall investment approach and the investment consultant provide analysis and advice of a technical nature in relation to portfolio construction, interpretation of performance measurement and the monitoring of investment managers. The following terms of reference for the Pension Committee have previously been approved in the Governance Compliance Statement in accordance with LGPS Regulations 2013:-

Terms of Reference:

- a) To advise the Council on the arrangements for the proper administration of the Shropshire County Pension Fund in accordance with the Local Government Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009;
- b) To advise employing organisations and employees within the Fund of their benefits, contributions and the financial performance of the Fund;
- c) To advise and assist the Council on the determination of any matters of general policy relating to the investment of the Pension Fund;
- d) To approve the annual report and accounts of the Fund and hold an Annual Meeting.

The Pensions Committee formal terms of reference (above) are interpreted as including:

- a) Admission of employing organisations to the Fund where discretion is permitted;
- b) Appointment of external advisors and actuaries to assist with the administration of the Fund, and of external managers for the management of the Fund's portfolio of assets;
- c) Approval of the periodic formal valuation of the Fund;
- d) Consideration of the advice of the Council's external investment advisers and of the Scheme Administrator;
- e) Determination of the objectives and general investment approach to be adopted by external fund managers;
- f) Review and monitoring of investment transactions and the overall investment performance of the Fund;
- g) To develop and implement shareholder policies on corporate governance issues;
- h) To review and approve on a regular basis the content of the Statement of Investment Principles and to monitor compliance of the investment arrangements with the Statement;
- i) To review the Funding Strategy Statement in detail at least every three years ahead of the

triennial valuations being carried out, in order to inform the valuation process;
j) To review and approve on a regular basis the Communications Policy for the Fund;

The role of Scheme Administrator is held by the officer who has responsibilities under S151 of the Local Government Act 1972 and provides financial (non-investment) advice to the Committee, including advice on financial management, issues of compliance with internal regulations and controls, budgeting and accounting and liaison with independent advisers.

Legal advice is provided by the Head of Legal and Democratic Services.

The remit for the LGPS vests formal statutory responsibility for the LGPS and fund investment with the administering authority which is answerable for the effective and prudent management of the scheme.

The terms of reference of the Committee need to be amended due to the pooling of investments in LGPS Central Ltd from 1 April 2018. The wording to be inserted is highlighted in bold text and the wording to be removed in red text.

- **Selection, appointment and dismissal of an investment pooling operator to manage the assets of the Fund.**
- **Determining what the administering authority requires the pool to provide to enable it to execute its local investment strategy effectively.**
- **Receiving and considering reports and recommendations from the oversight committee, and ensuring that the Fund's investor rights and views are represented effectively.**
- **Identifying and managing the risk associated with investment pooling**
- **Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling.**
- **Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively.**
- Appointment of external advisors and actuaries to assist with the administration of the Fund, **and of external managers for the management of the Fund's portfolio of assets**
- **Determination of the objectives and general investment approach to be adopted by external fund managers;**
- To review and approve on a regular basis the content of the **Statement of Investment**
- **Principles Investment Strategy Statement** and to monitor compliance of the investment arrangements with the Statement.
- **Reviewing and advising on the development of an Funding Strategy Statement, Administration Policy, Governance Compliance Statement, Breaches Policy & Training Policy and publish a Pension Fund Annual Report**

The rest of the terms of reference remain the same. The Council are asked to approve the revised terms of reference.



<u>Committee and Date</u>
Council
15 December 2016

<u>Item</u>
18
<u>Public</u>

CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

Responsible Officer James Walton
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Tel: 01743 255501

1. Summary

On the 21st July 2016, Council agreed with the Audit Committee's proposal that Shropshire Council support the Local Government Association (LGA) in setting up a National Sector Led Body to appoint external auditors. This report, with support from the Audit Committee, now seeks a formal decision from Council to "opt-in" to the Public Sector Audit Appointments Ltd (PSAA) national auditor appointment arrangements. The Council can elect to remain in the appointment arrangements for a period of five years, commencing 1 April 2018. The form of notice to PSAA Ltd, following the decision, is to be received by the 9th March 2017.

2. Recommendations

Council

Members are requested to formally opt-in to the Public Sector Audit Appointments Ltd (PSAA), Local Government Association National Sector Led Body.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including the requirement for the authority to consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that, where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority.

- 3.2 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 3.3 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been applied in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.
- 3.4 The Secretary of State has enabled PSAA Ltd to be an appointing person for local auditors under a national scheme.
- 3.5 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

4. Financial Implications

- 4.1 Existing external fee levels are likely to increase when the current contracts end in 2018. The Council's annual external audit fees for the 2015/16 audit were £133,845.
- 4.2 Opting-in to a national Sector Led Body (SLB) provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel. There will not be a fee to join the sector led arrangements. The audit fees that opted-in bodies will be charged by the sector led body will cover the costs of appointing auditors. The LGA believes that audit fees achieved through block contracts will be lower than the costs that individual authorities would be able to negotiate. In addition, by using the SLB, councils will avoid having to undertake their own procurement and the legal requirement to set up a panel of independent members.
- 4.3 PSAA Ltd commit to ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising their own costs. Any surplus funds will be returned to scheme members under the articles of association and memorandum of understanding with the Department for Communities and Local Government and the LGA.
- 4.4 PSAA Ltd expect annual operating costs to be lower than current costs because they expect to employ a smaller team to manage the scheme. They are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of their current deferred income. This is considered appropriate because the new scheme will be available to all relevant principal local government bodies.
- 4.5 Contracts are likely to be awarded at the end of June 2017 and, at this point, the overall cost and therefore the level of fees required will be clear. They will consult on the proposed scale of fees in autumn 2017 and publish the fees applicable for 2018/19 in March 2018.

5. Background

- 5.1 The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
- 5.2 The Council's current external auditor is Grant Thornton, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission, the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the LGA with delegated authority from the Secretary of State CLG. Over recent years the Council has benefited from reduction in fees in the order of 50% compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally with accountancy firms and savings from closure of the Audit Commission.
- 5.3 When the current transitional arrangements come to an end on 31 March 2018 the Council will be able to move to local appointment of the auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities. Audit Committee members considered the possibilities in June 2016 and recommended to, and were supported by, Council in July 2016 when they agreed to show initial interest to opt-in to a sector led body (SLB) if established. PSAA Ltd has now been appointed by the Secretary of State under the Act to be that SLB with ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

6 Information on the national scheme

- 6.1 The Council have until December 2017 to make an auditor appointment. PSAA Ltd have written to the Council confirming that the Secretary of State has awarded them the role of appointing local auditors under a national scheme.
- 6.2 PSAA Ltd have set out their proposed scheme, further details of which can be found at: <http://www.psaa.co.uk/supporting-the-transition/appointing-person/>. As part of the scheme, and under their timetable for appointing auditors, they are now formally inviting the Council to decide if it wants to join the national scheme. PSAA Ltd need to receive formal acceptance by 9 March 2017 and the decision to accept the invitation and to opt-in needs to be made by full Council.
- 6.3 The scheme is intended to save time and resources for local government bodies and, through collective procurement, secure the best prices without compromising on audit quality.
- 6.4 Given their current role PSAA Ltd feel they have a unique experience and understanding of auditor procurement and the local public market. Using the scheme will avoid the need for the Council to:
- establish an audit panel with independent members;
 - manage its own auditor procurement and cover its costs;

- monitor the independence of its appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor and
- manage the contract with the auditor.

6.5 The scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration with the Council or joint working initiatives, if it is considered that a common auditor will enhance efficiency and value for money. PSAA Ltd will also try to be flexible about changing the Council's auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

6.6 PSAA Ltd are looking to secure a high level of acceptance to the opt-in invitation to provide the best opportunity for the company to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities, of which Shropshire Council was one. They hope to achieve participation from the majority of eligible authorities.

High quality audits

6.7 The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

6.8 PSAA Ltd will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in the Council's contract terms and in the quality criteria of the tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in any feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

6.9 They will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

6.10 In developing their procurement strategy for the contracts with audit firms, PSAA Ltd will have input from their established advisory panel. The panel will assist the company in developing arrangements for the national scheme, provide feedback on proposals as they develop, and help maintain effective channels of communication. PSAA Ltd are keen to understand the Council's preferences and priorities, to ensure they develop a strategy that reflects needs within the constraints set out in legislation and in professional requirements.

- 6.11 In order to secure the best prices PSAA Ltd are minded to let audit contracts:
- for five years;
 - in two large contract areas nationally, with three or four contract lots per area, depending on the number of bodies that opt-in; and
 - to a number of firms in each contract area to help them manage independence issues.
- 6.12 The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, PSAA Ltd will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

- 6.13 Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.
- 6.14 PSAA Ltd plan to take great care to ensure that every auditor appointment passes this test. They will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.
- 6.15 They will consult the Council on the appointment of its auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help them to tell them about:
- any potential constraints on the appointment of the auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
 - any joint working or collaboration arrangements that should influence the appointment; and
 - other local factors that are relevant to making the appointment.
- 6.16 The PSAA Ltd will ask for this information if the Council choose to opt-in.
- 6.17 Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Opting in

- 6.18 The closing date for opting in is 9 March 2017. PSAA Ltd have allowed more than the minimum eight week notice period, because the formal approval process for most eligible bodies, except police and crime commissioners, requires a decision made by the members of an authority meeting as a whole, i.e. Full Council.
- 6.19 PSAA Ltd will confirm receipt of all opt-in notices, and will publish a list of authorities on their website. On receipt of an opt-in notice they will write to request information on any joint working arrangements relevant to the auditor appointment, and any potential independence matters that would prevent them appointing a particular firm.

6.20 If it is decided not to accept the invitation to opt-in by the closing date, a late request can be submitted *after* 1 April 2018. If the Council choose to do this, the first accounts which could be audited by a PSAA appointed auditor would be the 2019/20 accounts. PSAA Ltd are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

Timetable

6.21 The timetable for the new arrangements is:

Invitation to opt-in issued	27 October 2016
Closing date for receipt of notices to opt-in	9 March 2017
Contract notice published	20 February 2017
Award audit contracts	By end of June 2017
Consult on and make auditor appointments	By end of December 2017
Consult on and publish scale fees	By end of March 2018

6.22 The Council has been asked by the LGA to opt-in to the national scheme for auditor appointments. Audit Committee endorse this approach to Council following their meeting on the 24th November 2016.

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

Local Audit and Accountability Act 2014
 CIPFA’s Auditor Panels
 Audit Committee, June 2016: Audit appointments 201718
 Council, July 2016: Changes to Arrangements for Appointment of External Auditors
 Audit Committee, November 2016: Audit appointments 201718

Cabinet Member (Portfolio Holder) Malcolm Pate (Leader of the Council) and Tim Barker (Chairman of Audit Committee)

Local Member n/a

Appendices
 None



<u>Committee and Date</u>	<u>Item</u>
Council	19
15 December 2016	
10.00 am	
	<u>Public</u>

DRAFT SHROPSHIRE COUNCIL CORPORATE PLAN 2016/17 TO 2018/19

Responsible Officer Clive Wright, Chief Executive
e-mail: clive.wright@shropshire.gov.uk

Tel: 01743 258675

Summary

This report presents Council with the redrafted Corporate Plan 2016/17 to 2018/19, including the Strategic Action Plans. The redrafted plan has been updated by taking account of feedback from Council staff and Members, the development of the Strategic Action Plans and the observations and recommendations of the Financial Strategy Task and Finish Group.

The Corporate Plan and Strategic Action Plans will be reviewed each year alongside the Financial Strategy, and be subject to a complete review and rewrite every three years. This allows the plan to flex in response to nationally and locally driven changes, including the opportunity to revisit the plan and areas of focus for the coming years following the local elections in May 2017.

Recommendations

- A. That Council agree the Corporate Plan 2016/17 to 2018/19
- B. That the Corporate Plan is refreshed annually alongside the Financial Strategy and is subject to a complete review and rewrite every three years simultaneously with the Financial Strategy.
- C. That the Plan, if approved by the Council, is a working document and any necessary additions or amendments prior to annual review will be brought to a future meeting of full Council for approval.

Report

Risk Assessment and Opportunities Appraisal

The Corporate Plan is an essential component of the Council's Strategic Planning, Governance Assurance Framework and the Opportunity Risk Management Strategy. The plans need to link up, and together support and provide direction for the Council to achieve its objectives, including delivering a balanced budget. Failure to do so and fully implement the changes required will put the Corporate Plan at risk.

Regular performance reporting against delivery of the Council's objectives established in the Corporate Plan, including through Strategic Risk Reporting will in turn provide assurance to Members and Officers that the Council is achieving against its plan and that strategic risks are being monitored and managed, or on an exception basis activity for improvement is identified. This in turn will provide reflection on and assurance as to the strength of the governance environment.

All Committee reports to Members will continue to report on opportunities and the associated risks and these in turn should be linked to the delivery of the Council's outcomes as set out in the Corporate Plan.

Financial Assessment

Although there are no financial implications directly related to this paper, there is a significant relationship between the Corporate Plan and the Financial Strategy. The Corporate Plan sets out the Council outcomes and objectives which will achieve the requirements of the Financial Strategy, and as such its delivery.

Background

1. This redraft of the Corporate Plan, attached at Appendix 1, has been updated and added to taking account of feedback received and further work being completed on plans for the coming years. Three key examples are:
 - Feedback from staff and Members during the summer who highlighted a range of topics and priorities which they identified as missing from the draft plan or that needed to be strengthened.
 - The development of Strategic Action Plans during the autumn which has confirmed the medium term outcomes and objectives for the next 12 to 18+ months, the high-level actions that will be taken to deliver them, and the measures of success.
 - The Financial Strategy Task and Finish Group who considered the feedback from staff and Members, reviewed the redrafted context and high-level outcomes sections, went through the draft strategic actions

plans, and in completing this work challenged whether the Corporate Plan and strategic action were ambitious enough. The findings of the Task and Finish group were reported to Cabinet on the 30 November 2016.

2. A significant piece of work contributing to the Corporate Plan, and illustrating the Council's ambition, has been the development of the Strategic Action Plans. These plans provide a clear view of the high-level priority work areas to deliver the Council's outcomes, setting out the actions that will be taken and how progress and impact will be measured. The actions set out in these plans give a focus for directorates and teams, forming the basis of service planning and team planning for in 2017/18 and beyond. The Strategic Action Plans can be found in pages 19 to 27 of the redrafted Corporate Plan
3. Measuring the progress and impact of delivering the Strategic Action Plans and therefore the Council's high-level outcomes will be the focus of the Council's Corporate Performance Management Framework from April 2017. Ensuring the delivery of the actions and achieving the levels of performance required goes beyond a reporting exercise; it will also need to inform an understanding of the degree to which the Council is preparing for the future and therefore the development of the next Financial Strategy 2019/20 to 2021/22 and corresponding Corporate Plan.
4. Many of the measures are already established, and where new measures have been identified they are being worked on to be clearly defined, have accountable officers confirmed, and baselines set. Where it's not possible to provide the exact match, measures which provide relevant evidence of progress and impact will be identified. The Strategic Action Plans and Corporate Performance Management Framework also include milestones based on the delivery of key projects.
5. The Corporate Plan and Strategic Actions Plans set the direction for the Council, and as such need to be able to respond and flex with changing requirements, whether driven by local or national developments. Therefore there will be ongoing adjustment to the Corporate Plan as necessary including annual refresh along with the Financial Strategy, and a complete review and rewrite every three years simultaneously with the Financial Strategy.
6. The reviews and refreshes will be informed by a range of different information and documents, including new strategies and strategic plans, changes driven by national policy and legislation, and local intelligence and feedback from communities and customers including through Big Conversation engagement activity. The Big Conversation engagement work currently underway will help to inform any adjustment to the Corporate Plan and Strategic Action Plans next year.

Conclusion

7. This redrafted Corporate Plan has taken account of the feedback received from staff and Members, with amendments and additions made throughout the document.
8. The time since the original draft was presented to Council on the 21 July 2016 has also provided the opportunity to establish the medium term outcomes and objectives set out in the Strategic Actions Plans, and in doing so provide greater clarity of the ambition and direction of the Council over the next 12 to 18 months, and beyond.
9. The changes that have been made to the draft Corporate Plan have made it a more robust document that establishes the context that the Council is operating in, and the work that will be progressed to help achieve the high-level outcomes. It provides the direction to be included in service plans and team plans, but gives sufficient scope for service areas to be innovative and enterprising in how they design and deliver their services.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p>
<p>Financial Strategy – Budget 2017/18 – 2018/19 (Cabinet, 18 May 2016)</p>
<p>Draft Corporate Plan 2016/17 to 2018/19 (Council, 21 July 2016)</p>
<p>Cabinet Member</p>
<p>Cllr Malcolm Pate, Leader of the Council and Portfolio Holder for Strategy, Financial Strategy, Budget and Business</p>
<p>Local Member</p>
<p>All</p>
<p>Appendices</p>
<p>Appendix 1 – Redrafted Shropshire Council Corporate Plan 2016/17 to 2018/19</p>



**Working to make Shropshire
a great place to live, learn and work**



SPARSITY

SHROPSHIRE is **1,235** square miles, the 2nd largest inland council

Council looks after over 3,000 miles of road

Shropshire's population **306,129** similar to Nottingham

Shropshire is **44x** bigger than Nottingham



Nottingham 29 square miles 7,511 hectares
41 people per hectare

175,469 people spread evenly across rural areas



Shropshire 1,235 square miles 319,736 hectares
0.97 people per hectare

AGEING

72,000 people **23%** are 65 or more



National average 18%

45 Average age

Population split between urban/rural areas

Population in main towns

Expected to rise to **81,000** by 2020



Population male/female split

49.5% Male

50.5% Female

58% live in rural areas

42% live in urban areas



ECONOMY

Council Tax Frozen for **7** years



17% rise needed just to fund Adult Services

Shropshire businesses employ less than **10** people
90.3%
0.84% businesses contribute 29% of net business rate



21% more house by 2036 with over third built already

21% of pupils eligible for free school transport



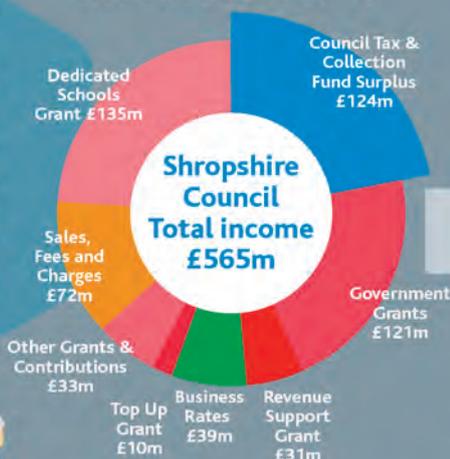
Shropshire in government's top 10 areas with longest travel times



BUDGET

Income 2016/17

Expenditure 2016/17



£216m for service delivery



Over half goes to schools and other direct payments

£75m to provide over 150 plus services
£141m to fund core services like Adult Services

By 2021 only £25m will be available to fund over 150 services.



Based on Shropshire's 65+ population it should get £6m more in funding!

Corporate Plan

2016/2017 DRAFT 21.11.16

Contents

Where we are

Our challenges

Linking our strategies

The Big Conversation

- Local service delivery and community involvement
- Reducing services and making savings
- Health, and supporting older people
- Generating new income and business growth

What we want to achieve with you

Vision

Mission

Values

High-level outcomes

- Healthy people
- Prosperous economy
- Resilient communities

Where we start: Our strategic action plans
for the next 12 to 18+ months

References



**Shropshire is a
fantastic place
in which to live,
work and visit...**

Where we are

Shropshire is a fantastic place in which to live, work and visit, with a clean and beautiful natural environment, communities who look out for each other, whether in our rural areas or within one of our historic market towns, excellent schools, low crime and opportunity for everyone. The quality of life rightly brings people here, and makes people want to stay. Around 35% of Shropshire's population lives in villages, hamlets and dwellings dispersed throughout the countryside. The remainder live in one of the 17 market towns and key centres of varying size, including Ludlow in the south and Oswestry in the north, or in Shrewsbury, the central county town.

Shropshire is the second largest inland county and one of the most rural places in the UK, yet close enough and connected to the major cities of Birmingham, Liverpool and Manchester and to shopping and leisure destinations in Cheshire and Staffordshire, as well as a direct rail link to London. The coast of Wales and Snowdonia is close by, with Holyhead and Ireland only a few hours away.

The county has a rich cultural heritage to discover and natural landscapes to explore, for residents and tourists alike. There are for example Roman and Iron Age sites; castles and historic buildings; theatres and museums; the Shropshire Hills Area of Outstanding Natural Beauty (AONB); rivers and canals; walking and cycling routes including one of the largest Rights of Way networks in the country; geology and wildlife; and natural and industrial archaeology.

Thriving businesses include agriculture, forestry, and quality foods via farm shops and food fairs, as well as music and walking festivals, significant numbers of home-based businesses, two hospitals and a new university working closely with local businesses. We are ambitious as a Council for our communities and businesses to grow, with development and investment opportunities.

Shropshire has a feel of quality and excellence and we want to build on this as we move forwards.

Our challenges

Shropshire's green and scenic environment helps to contribute to healthy lifestyles as well as itself being of economic value, in attracting businesses as well as in attracting people to visit here and to move here. However, there are logistical challenges in commissioning and providing services over such a large, rural geography. The population of around 310,000 is itself so spread out, across a terrain covering 319,736 hectares, that the Office for National Statistics (ONS) describes us as having less than one person per hectare (Source: ONS mid year estimates 2014).

Shropshire Council and its partners, including Town and Parish Councils, other public bodies and the voluntary and community sector, work hard to maintain and improve the services that communities need. However, the reality is that getting to and from services, facilities, leisure pursuits, and places of work or study, can be very difficult with only a few major road routes, some of which are at risk of flooding; limited public transport; and the nature of the often hilly terrain.

Climate change considerations around energy security, water management, and fuel poverty are of particular concern in Shropshire and surrounding areas. The economic opportunities presented by renewable energy technologies are primarily in solar and small scale systems. Large scale wind options are possible but only with an increased appetite for onshore systems. Energy storage options, including kinetic storage, are worth considering in Shropshire.

Those trying to work from home, to complete school lessons and study courses, and to carry out simple family and household activities like online shopping, can also find it as difficult to do so in some of our market towns as in our more rural areas, given current lack of decent mobile signals and broadband connections.

In addition, Shropshire also has a disproportionately older population, with resulting challenges for commissioners and providers of services including social care and community mental health care. The council needs to attract and retain young people and families to live and work in Shropshire to build our communities. This means ensuring they have access to good or better schools and housing that is affordable.

Whilst unemployment is very low there is 'underemployment' and a lack of higher paid jobs within our economy. In addition, local housing issues include a proportion of old and poorly heated housing, whilst lack of affordable rented housing for young people, particularly in rural areas, making it harder for our young people to see a future for themselves here.

Social inclusion is a priority for us, both in terms of people for whom isolation due to living or working in rural areas may lead to mental well-being challenges, as well as the physical and practical challenges. When we talk about social inclusion, the groups that we are thinking of in particular are: families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; and people considered to be vulnerable.

We recognise the need to attract and develop new business, taking advantage of our investment in our new university alongside the University of Chester, and exploit and expand our investment in fibre broadband to ensure that we have a connected county ready for business.

We also know that it is more important than ever for our young people to be equipped with the vocational and digital skills that they need to succeed, and for all age groupings, not just within the workforce but also those at risk of digital exclusion, to be able to operate effectively in an increasingly online world. We continue to work with the Government on achieving assured connectivity for everyone.

There is reduced funding in the public sector and funding of councils within England. This does not recognise the higher costs of service delivery in rural areas, and creates pressure on how we can afford to continue to deliver services where they are needed, and ensure that we ourselves demonstrate fairness in how we do so.

We ourselves recognise that greater economic activity by all groups in society contributes to and boosts the local economy as well as aiding individual prosperity and wellbeing. A society in which everyone feels valued, and where their skills and talents are used to the full, is a productive and resourceful society.

Considering equality, diversity and social inclusion also enables us to plan and deliver services that are responsive to the needs of our diverse communities, with a workforce that is representative of those communities and that is sensitive to the needs of those communities.

The council is already working together with partners to innovate and drive efficiencies alongside improvement, using and sharing resources in a smarter way. This includes seeking to generate more income to help offset reductions in central government funding, and to optimise use of natural and built resources whilst safeguarding these assets.

Efforts to protect and promote these natural and cultural heritage resources can bring in revenue and aid economic growth, whilst efforts to protect and to maximise natural resources can also provide opportunities to address energy and climate change concerns, e.g. around air quality.

This will in turn help us to define and meet local targets and contribute to national targets around air quality, greenhouse gases and usage of renewable sources of energy. One example of this is the energy supply company that the council has established.

Our large geography, whereby we have an area that is ten times as big as all the inner London boroughs put together, means that our economy operates and reaches in different directions. We have Birmingham and the Black Country south and east, Wales on our longest border to the west and Manchester and Staffordshire north and east, as well as Herefordshire and Worcestershire to the south.

Working in partnership

Our economy and communities are not constrained by local authority boundaries. We therefore work with neighbouring authorities for mutual benefit, and continue to exploit opportunities to do so, such as through collaborative efforts around environmental innovations, around transport, housing and digital infrastructure, and around making best use of property and land assets. We also recognise the potential of working with other local authorities and public sector organisations to seek and utilise devolved powers where appropriate and possible from central government.

Working with our partners across all sectors enables the challenges we face together to be met using our combined resources and reach, allied to these local capabilities and capacities. This therefore very much sees an emphasis on working with the local Voluntary Community and Social Enterprise Sector and the relevant town and parish council and local businesses to meet need and deliver services in a different way.

We visibly recognise the value and importance of nature and the environment to Shropshire and to economic growth in Shropshire through active strategic roles coordinating the Local Nature Partnership for Shropshire and Telford and Wrekin, and working with the Business Sector through the Shropshire Business Board and the Marches Local Enterprise Partnership for Shropshire, Telford and Wrekin and Herefordshire. This links back to our own planning policy work around population projections, housebuilding, utility and education provision, economic development, and access to natural green space.

On the wider community matter of health, our partnership activity takes place through strategic programmes such as the Sustainability and Transformation Plan and structures such as the Health and Wellbeing Board with strategic and prioritised work.

As a specific community priority, safeguarding vulnerable people is a responsibility of us all. For example, keeping children safe cannot be done by the Council alone and we use a number of partnership structures and approaches to help us and our partners in this essential role. This includes the Shropshire Safeguarding Children's Board and the Council's Corporate Parenting Panel which is made up of multiagency and cross party representation.

Maximising our resources

Our challenging financial situation which is reflected across the public sector, means that we must find ways to ensure that we operate as efficiently as we can. We must also seek ways of generating new and increasing levels of income to provide a sustainable platform for investment, growth and the continuation of services required in local communities. This includes using our one public estate in a more integrated way with partners and to release land for housing and employment and taking up opportunities through technology to improve access to services and information and reduce duplication of activity, as well as identifying where we have services and products which have a financial value to others that we should be realising to help contribute to operating the Council.

Ensuring that the Council can be sustainable over the coming years and can respond positively to changes to the way that the Council is funded, requires us to be more flexible and able to change direction at pace. We will need to make decisions based on a good and clear understanding of the level of demand and needs of local people, communities and businesses, and what works to meet those needs. This will require us to look at our staff and partners and be clear on where the skills, knowledge and experience exists; ensuring that the best people are completing the different tasks and activities to achieve the best quality, outcomes and value for money.

Recognising this, our Commercial Strategy provides the direction and framework for how we will mobilise our organization, deploying three areas of focus:

- leading and demonstrating best practice,
- supporting and growing skills and behaviour of our people, our partnerships and communities;
- maintaining a commercial focus through governance, monitoring progress and achieving the required impact.



Corporate Plan

Financial Strategy

Workforce Strategy

Opportunity Risk Strategy

Linking our strategies

Our Corporate Plan is a key component of the strategic framework for this council, alongside the Financial Strategy 2016/17 to 2018/19. These are underpinned by strategies including the Opportunity Risk Strategy, Commercial Strategy, Asset Management Strategy and the Workforce Strategy, and inform the plans for the council's service teams.

The Corporate Plan brings together corporate strategies and information, makes relevant links to service area strategies, and sets out how we are responding to the challenges set out above, in particular identifying the key outcomes and areas of work that the council is taking forward over the coming years. Our strategies range from how we support and manage our Highways Assets and Transport through to how we support and protect vulnerable people through our Early Help Strategy, Looked After Children Strategy, Corporate Parenting Strategy and Adult Social Care Strategy.

Our aim to ensure that as many services as possible are enabled and facilitated to be provided either by the council, or by others better able to do it. Despite the significant challenges we face, we are working positively and proactively to find the best solutions with our partners and communities, and the Corporate Plan sets out our ambitions on this basis.

By linking our strategies we are able to deliver the Council's high-level outcomes, work to reduce duplication of activity and focus resources. For example our ICT Strategy, Digital Strategy, Commercial Strategy and Workforce Strategy all pull together with the Corporate Plan and provide the context and direction for our response to the challenges we face and underpin the Council's sustainable business model, presented in the Financial Strategy.

The high-level outcomes and the measures and key dates for changes to services in the Corporate Plan shape and populate our Performance Management Framework, and this information will be reported every three months to ensure that decision-makers on Cabinet are assured that the council is progressing as planned, and that they can be held to account through the council's scrutiny committees.



the Big conversation

We start with our communities and we are listening to our communities, and being open and transparent. We have established the Big Conversation to enable this. The Big Conversation is a way of engaging the public to canvas opinion on important issues. We have set up systems including online surveys and face to face methods that can be used in the future by the council and our partners to produce reliable data on 'what the public has to say' on almost any issue. Each year we will come back to our communities to hear from them as we review our Corporate Plan and the priority areas of work we have in our Strategic Action Plans.

Since November 2015 we have been using the Big Conversation to get feedback on our financial strategy. This is what you have told us and what we will do as a result:

Local service delivery and community involvement

You welcomed the opportunity to comment and contribute and in the main were supportive of enhanced community involvement and communities being enabled to do more for themselves. Many of you already contribute to your communities in some way, and gave examples such as litter picking, active church groups, supporting local sports clubs and teams, community car services and walking groups.

You also agreed that we should make more use of local residents and volunteers to deliver services in order to make savings, but that the costs of co-ordinating and supporting such activities need to be considered and taken into account.

The majority of you also said that partners across all sectors should be working together to ensure that services are streamlined and combined, but warned that this could take time.

Local Joint Committees and parish clerks play a key role as local connectors, but we have noted that some questions were raised about the continuing purpose of some or all of the Local Joint Committees as arrangements change.

What are we going to do?

We are working with Town and Parish Councils, Voluntary Community and Social Enterprise sector, community groups and others to understand what is valued in the communities, what could be provided in a different way, and how this can be enabled. As part of this we are looking at what capacity and support requirements are needed and the best options to consider in putting arrangements in place. Local arrangements are an essential feature of our plans and we know one size does not fit all.

In addition to this we will be continuing to explore common outcomes and consistencies with our partners in the Police, Health and Fire Services, as well as discussing opportunities to share services and costs with our neighbouring councils and partner organisations.

Reducing services and making savings

You considered services for vulnerable children to be the most important to protect from reduction in spending, followed by education services and services for older people and vulnerable adults.

There was general agreement that some services should be protected and others should be reduced or delivered in a different way, for example theatres, leisure facilities, museums and outdoor recreation. However, no one was happy about losing services.

You also said that you were interested to know more about funding and the associated costs of services, as well as the usage and individual value of services. You wanted to understand this to help make informed decisions on which services could be cut and which could be delivered differently. Our public sector partners were also interested to understand this information to help them to make informed decisions on service delivery.

What are we going to do?

We are protecting services for vulnerable children and vulnerable adults as much as we can, and in doing this we are planning to ensure that more money goes into these areas in the coming years. For example, we will continue to implement our Corporate Parenting and Looked After Children Strategies, and we have launched out Strengthening Families through Early Help strategy and we are working with schools, health and other public sector organisations to ensure that right services and support are in place for the most vulnerable. We are also committed to providing education services that will monitor, challenge, support, and where necessary intervene to ensure children and young people have access to good or better education.

This does mean that some other services will need to stop, be reduced or be delivered in a different way, including being delivered by the Town and Parish Councils, the Voluntary Community and Social Enterprise sector (VCSE), and businesses rather than Shropshire Council. As the Big Conversation progressed we shared more detail on the budgets for services such as leisure centres, swimming pools and libraries, and more information will become available as we develop plans to deliver a balanced budget in 2017/18.

Health, and supporting older adults

You recognised that the council spends the majority of its funding on adult social care and this budget is a fundamental priority issue, and that early interventions and prevention to address long-term health issues is a pivotal activity for the reduction of costs over the coming years.

Tackling social isolation and holistic care plans for people are key, and we should be signposting people to and working with existing Voluntary and Community Sector and community groups to continue the work already underway and respond to future needs. You saw volunteers and local groups as fundamental in looking after the interests of vulnerable elderly people, but many cited a lack of resources and adequate training as a barrier to further involvement in supporting older people to remain in their communities.

What are we going to do?

We have a strong and positive relationship with our Voluntary Community and Social Enterprise sector (VCSE), and there are many community groups doing great things for people in their areas. We also know that supporting older people themselves to volunteer can help improve health and wellbeing. We need to continue to work together with all of our partners and identify the gaps and opportunities to help people remain independent, healthy and active in their communities for as long as possible. Taking an approach that considers all factors which contribute to people's health and wellbeing will help to reduce demand for health and social care services. In doing so we will encourage people to adopt healthier lifestyles, and promote greater uptake of Influenza Vaccination in the over 65s and the high risk groups, as well as more use of social prescribing in order to reduce demand for health and social care services.

We see our role moving increasingly to enabling rather than delivering services, and in line with this we will be discussing the challenges with our VCSE and community partners to see what can practicably be done, for example promoting 'Ageing Well' programmes in order to reduce ill health and need for social care. This will include home safety and falls prevention programmes.

Generating new income and business growth

You told us that income generation is as important, if not more important, than making savings. Many suggested ways we could generate further income, for example by raising fees and charges for some services, raising council tax, attracting more businesses to Shropshire to raise more income through business rates, and encourage more new homes to be built to increase revenue through council tax.

Businesses told us that they have knowledge and experience that they could share with us to help plan for the future. The main improvements they suggested for growth are:

- Improving broadband connectivity and connecting communities without broadband;
- Creating better linkages between businesses and University Centre Shrewsbury to bring people to the area and build skills;
- Encouraging further involvement of business, and ensure we and our partners are working together.

What are we going to do?

Our commitment to ensuring that Shropshire is as connected as possible remains and we are continuing to explore how as many areas as possible can access good broadband coverage, with Shropshire's challenging geography and network issues.

We raised council tax this year by the maximum amount that we could, and we are looking into different ways of reducing costs and generating income, including ways that will also contribute to climate change goals and to efforts to deliver secure, low carbon energy at the least cost to the local economy. A key example of our proactive stewardship of natural and built assets is that the council has had solar panels fitted to the roof of the main office building, Shirehall in Shrewsbury. We expect this to save us £16,000 per year in electric bills and to pay off the investment in 10 years, whilst officers have moved out of the Guildhall in order to free it up for partnership operations e.g. university student facilities and Shrewsbury Town Council services.

We are also prioritising economic prosperity for Shropshire as a whole: in order to help us achieve this, we are developing an Economic Vision for Shropshire that will be used to set the direction for economic growth for years to come and will inform a new Economic Growth Strategic Plans. We expect these plans to shape what businesses we want to retain and attract to Shropshire, and in doing so inform the links with University Centre Shrewsbury, other further and higher education offers, and in-work learning and skills opportunities across a range of sectors.

What we want to achieve with you

Vision

Working to make
Shropshire a great
place to live, learn,
work and visit

Mission

To be an excellent
organisation working with
partners to protect the
vulnerable, create the
conditions for economic
growth, and support
communities to be resilient.

Strapline

Working in partnership
to create healthy,
resilient and prosperous
communities.

Values

Our values drive our behaviour and demonstrate to our communities, our staff and our partners what we see as being important. These are in alphabetical order, because they are equally important:



High-level outcomes

We have set three high-level outcomes which provide the focus of the work of the council and underpin what we are trying to achieve over the coming years.

They will be used to structure the council's Performance Management Framework, and the measures set out beneath each outcome will be used to understand whether the council is making progress in delivering what it aims to do.

These outcomes also run through all of the plans of the council, from this corporate level through to plans for teams, and the goals and targets of each member of staff.



Healthy people

Our vision to have the healthiest population in the country starts with local people themselves. We need people to want to be more healthy, aware and incentivised to take proper care of their health, and for this to come from them rather than from us.

Our role therefore involves supporting people to take responsibility to look after themselves, increasing their quality of life as well as their length of life, and reducing ill health to minimise demand and dependency on public services. In doing so, we will be promoting health awareness and healthier lifestyles within families, and within workforces, alongside efforts to encourage mental as well as physical wellbeing. This will reduce the likelihood of people developing health problems such as Type II diabetes, and help to detect diseases such as cancer earlier, improving the chances of successful treatment outcomes.

We also want to encourage people to make the most of a range of outdoor and indoor opportunities for leisure, culture and community volunteering. Participation in positive activities can not only enhance their own physical and mental wellbeing, but can also help in the management of natural and built environment assets. One example would be Walking for Health schemes, whereby participants and volunteers alike attain positive benefits.

Resilient communities

Resilient communities, in our definition, are self-sufficient and have the resources and capabilities to meet their collective needs and flourish. They are safe, sustainable and help each other; ensuring vulnerable children are safe and supporting vulnerable adults to remain in their communities, and that all are enabled to realise their individual goals. This includes a commitment to ensuring that our Looked After Children have the best life that they can and our Care Leavers are supported into independence and are attending education, training or employment. Early local intervention focused on achieving optimum life chances, and maximising independence into old age, is a central focus.

The community itself has a role to play in looking out for the vulnerable, such as in times of inclement weather, and in alerting local authorities where harm is suspected, such as when a child may be at risk, or where for example a hate crime is encountered. Our challenge as an authority is to better articulate where help may be found or by whom action may be taken, whether it is ourselves or another public service such as the police, and to demonstrate leadership and clarity of purpose as well as compassion.

Public services in the future will need to come together to focus their expertise and resources, and work with the Voluntary, Community and Social Enterprise sector; enabling and supporting more people to volunteer and play an active role in their communities, and to improve lives as well as the environment around them. This will reduce the current unsustainable levels of demand and expenditure on the state, and help achieve collective society and climate change goals.

Prosperous economy

In order to grow a prosperous economy in Shropshire, the economic vision and new Economic Growth Strategy will need to focus on improving productivity, strengthening our skills base, facilitating and encouraging the conditions for growth, and making the most of our economic potential. This includes opportunities to diversify into niche and higher added value businesses, exploit supply chains, and create and retain higher paid jobs; which in turn will attract young people and families to live and work in Shropshire. For example:

- working with our older population profile and promoting Shropshire as a place to develop technologies that enable people's independence, improve health outcomes and contribute to health and social care, and
- for our land based sector diversifying into ventures such as tourism, farm shops, or outdoors activities, and other opportunities to make the most of the land and the environment.

Improving the physical and digital infrastructure whilst maintaining the natural capital in the county is a critical to achieving this, providing the conditions that will foster new medium to large businesses as well as sustaining and encouraging the businesses that already contribute to the local economy. This will include ensuring that the right employment land is available in the right locations for existing businesses to grow and for new businesses to be attracted to the county.

For Shropshire, there are also strong connections to be forged between the new university and our economic growth, attracting young people to study, live and work here. The ambitions that we have as a county for young people to succeed are typified by this venture. With Harper Adams University on agri-tech, and other further and higher education and apprenticeship opportunities, there is scope to address local productivity challenges. This would be through the sharing between academia and local small and medium sized enterprises (SMEs) of research allied to practical approaches, and focused on the areas where innovation may be achieved, including environmental technologies.

We will continue to monitor and work with schools and academies to promote high standards of provision and outcomes achieving above the national averages, and to make the most of the facilities that are here to train and educate a world class workforce, and ensure that our children and young people are best placed to achieve their goals.

Operation of the council

Our focus is to be innovative and resourceful; being as efficient as we can be and identifying and pursuing opportunities to generate income which can be invested into services. We will operate in a way that promotes the best use of local resources. In doing so we will make it possible for people and communities to be less reliant on the state and find solutions and help each other, whilst protecting the vulnerable as a priority. To support this we will put in place the systems and processes and information and technology that will make it possible for people to serve themselves and allow our staff to work differently, closer to the communities and people who need our services, and freed up from fixed office locations.

Where we start: Our strategic action plans for the next 12 to 18+ months

High Level Outcome:

- Healthy People (HP)
- Resilient Communities (RC)
- Prosperous Economy (PE)
- Operating the Council (OTC)

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
✓	✓			Potential for future good health is improved and demand for health and care services is reduced	Encourage people to take responsibility for their lives and well-being	<ul style="list-style-type: none"> • Number of people participating in Walking for Health schemes
✓	✓	✓			Implement School Improvement Policy	<p>Outcomes at end of EYFS, KS2 and KS4 compare favourably with national averages and statistical neighbours:</p> <ul style="list-style-type: none"> • Increased levels of achievement Key Stage 2 • Increased levels of achievement Key stage 4 • Increase in the % of children achieving a good level of development in the Early Years and Foundation Stage • Progress 8 and Attainment 8 (new measures beginning August 2016 – replaces 5 GCSEs A* to C including Maths and English)
✓	✓				<p>Contribute and provide constructive challenge to the development of whole system plans that reflect the linkages between conditions and interventions. Particular areas of focus for the linked whole system plans:</p> <ul style="list-style-type: none"> • Cardio Vascular Disease (Stroke, Diabetes, Healthy Weight) • Chronic obstructive pulmonary disease (Future planning and housing including Warm Homes) • Preventing Falls (Awareness Raising campaign) • Prevention of Cancer 	<ul style="list-style-type: none"> • Flu vaccine coverage (people aged 65+ and people at risk) • Number of hip fractures in people aged 65 years and above • Number of patients/service users reporting use of on-line falls prevention resources • Increased funding into heat-savers programme resulting in increased take-up of heat savers interventions • Cancer screening coverage for breast, cervical and bowel cancer <p>Deliver Preventing Falls awareness raising campaign by April 2017</p>

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
✓	✓				Increase access to universal services and Early Help services such as parenting support to promote an understanding of children's behaviours, and aid improved family life, resilience, and mental and physical health.	<ul style="list-style-type: none"> • Increase in taking up of parenting support • % parents completing parenting support who report increased confidence in their parenting role • Reduction in referrals to children's social care
✓	✓				Develop and implement innovative usage of technologies to promote independence and self-support through equipment provision and Telecare and Telehealth to realise the potential benefits for all who require support	<ul style="list-style-type: none"> • Number of Shropshire Residents adopting digital health technologies
✓	✓				<p>Review and redesign infrastructure and use of assets to drive new models of health and care service delivery in communities, working with partners including Health, social care providers, the VCSE and the University.</p> <p>Develop and implement One Public Estate for Shropshire, maximising opportunities to improve access to services in communities.</p>	<ul style="list-style-type: none"> • Number of new shared facilities in communities used by Health, Social Care and VCSE • Value of capital receipts realised across the public estate • Reduced running costs across the public estate
	✓			Local Members are leading their communities	Community Enablement Officers, with their local Members, to develop record of activities and projects local Members have carried out with their communities that deliver the Council's high-level outcomes.	<ul style="list-style-type: none"> • Number of Member led community projects that deliver the Council's high level outcomes.

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
✓	✓			The range of opportunities for leisure, culture and community participation has increased, with low or no funding.	Work with current and potential alternative providers of services to identify and implement opportunities to deliver services differently.	<p>New and alternative management options in place for assets outside of the Council's core offer by March 2018</p> <p>Alternative and new management arrangements self-sufficient relating to their local running costs by March 2019</p> <ul style="list-style-type: none"> • Number of Library visitors • Number of Museum visitors • Number of Leisure Centre visitors
✓	✓				<p>Research options for communities and individuals to connect and work together to take up opportunities to meet their needs locally.</p> <p>Enabling communities to take more control of their place including public amenity space.</p>	<p>Number of volunteers involved in:</p> <ul style="list-style-type: none"> • Maintaining a clean and attractive environment • Encouraging biodiversity • Providing social inclusion opportunities • Supporting people in volunteering or into employment
✓	✓	✓		A clean and attractive environment is maintained	Develop and implement initiatives to improve air quality and water quality including appropriate green infrastructure such as 'green walls' to reduce air pollution at target sites.	<ul style="list-style-type: none"> • Reduce the number of air pollution monitoring sites required to be operational in Shropshire <p>Develop and adopt new Local Transport Plan</p> <ul style="list-style-type: none"> • % of household waste sent for reuse, recycling and composting • Keeping Shropshire's streets clean - % of inspections falling below the acceptable standard for litter and detritus
✓		✓	✓		Identify and pursue carbon reduction and renewable energy opportunities e.g. kinetic storage and solar energy	<ul style="list-style-type: none"> • Increased number of carbon reduction and renewable energy schemes in place at Council owned assets

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
✓	✓			Needs have been met to prevent demand from escalating	<p>Reviewing the Falls Prevention Service to improve completion rates to ensure that maximum benefits for service users are achieved</p> <p>Introducing a postural stability programme across Shropshire to provide early intervention at those at risk of falls</p> <p>Promoting flu vaccination uptake amongst care staff in the independent sector</p> <p>Introduce a prototype telecare programme to support assisted discharge from Hospital</p> <p>Introduce an overall asset based approach to assessment</p> <p>Provide information advice and guidance on where to find support and how to remain independent through commissioned pre-assessment activity and Let's Talk Local sessions</p> <p>Working with people receiving services to ensure that they are enabled to achieve their potential with as little reliance on assessed services as possible.</p> <p>Configuring Housing Support Services to work with people on the edge of care who require minimum but timely input to remain independent and well.</p>	<ul style="list-style-type: none"> • Permanent admissions to residential and nursing care homes per 100,000 population • % of older people aged 65+ who were still at home 91 days after discharge from hospital into reablement services (ASCOF 2B) • Delayed transfers of care from hospital (adults 18+) per 100,000 population attributable to adult social care (ASCOF 2C) • % of adults (18-64) with Learning Disability who live in their own home or with family (ASCOF 1G) • % of adults (18-64) in contact with secondary mental health services who live independently with or without support (ASCOF 1H) • % of Adult Social Care users who have as much social contact as they would like • % of family carers who have as much social contact as they would like • % of initial contacts for Adult Social Care support referred to community based support • Service users rating for their quality of life as a whole (ASCOF 1A) • Service user rating for how much control they have over their daily life (ASCOF 1B) • Service users who state that they feel safe (ASCOF 4A)

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
					<p>Working proactively with people likely to fund their own care and their families and carers so that they are informed and able to make choices about the type of care they will require to meet their needs and prevent them from escalating, and avoiding residential care being the default choice</p> <p>Working with care providers to identify emerging opportunities in the market to support people funding their own care</p> <p>Developing new and creative approaches to maximise the benefit of the application of Disabled Facilities Grant in concert with other funding and low level interventions to maximise and maintain independence</p>	
✓	✓				<p>Ensure the needs of children are appropriately assessed, identified and met to improve outcomes for children and keep children safe.</p> <p>Putting in place arrangements to work more effectively with partners to increase the number of children and young people receiving the right early help services to meet their assessed need by:</p> <ul style="list-style-type: none"> • Implementation of the revised Early Help Strategy • Review of the Early Help Pathways • Increasing the number of Early Help assessments undertaken by lead professionals outside of the Council • Increasing the number of Early Help plans in place • Increasing the number of Early Help partnership meetings 	<ul style="list-style-type: none"> • % of referrals to COMPASS leading to an assessment • Number of children with Child Protection Plans per 10,000 population 0-18 years • % of assessments leading to No Further Action (NFA) • Re-referral Rates • Assessment Timeliness • S47 Timeliness • Timeliness of statutory visits to children subject to a child protection plan, or young people who are looked after. • Timely core group meetings and highlighted improvements to practice through case file audits

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
					<p>Review of the Shropshire Safeguarding Children's Board Threshold Document</p> <p>Strengthening the engagement and voice of children in care and care leavers.</p> <p>Review step down arrangements to ensure they reflect revised Early Help Pathways.</p> <p>Ensure social work interventions are timely and reflect statutory requirements.</p> <p>Ensure effective core group meetings take place for children subject to a child in need, child protection or care plan in between key meetings.</p> <p>Ensure social workers receive regular supervision and that management oversight and direction is evident on case files.</p> <p>Introduction of system tracker and monitoring of this management oversight evident in case file audits.</p>	
✓	✓				Develop and implement a social prescribing model for Shropshire	Oswestry Pilot delivered between October 2016 and March 2017
✓	✓	✓			Maintain a regular and robust overview of the impacts of changes across public services on Shropshire people, communities and the Council, taking account of variation in the level and coverage of services and customer feedback and survey results.	<ul style="list-style-type: none"> • Adult Social Care User and Carer Survey Results • Number of complaints • Number of comments • Number of compliments • Annual feedback from Town and Parish Councils (Planning Policy)

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
		✓		The economy has diversified into higher added value businesses	Define the Economic Vision for Shropshire and develop a new Economic Growth Strategy	Economic Vision for Shropshire launched in January 2017 Economic Growth Strategic Plans published in March 2017
	✓	✓			Creating economic opportunities from the environmental assets of Shropshire by introducing environmental innovations including liaison with universities including agri-tech and food production, and utilising ecosystems modelling.	<ul style="list-style-type: none"> Increased GVA (Gross Value Added) Resident v. Workplace salary gap Number of new jobs created in Medicare and associated sector developments
✓		✓			Harness support and commitment from the University of Chester and attract external organisations/ businesses to develop Shropshire as the lead on Medicare within the West Midlands Combined Authority	
✓	✓	✓	✓	Jobs for young people have been created	<p>Develop and implement the Council's response to the opportunities offered by the Apprentice Levy</p> <p>Driving apprentice level 3 and 4 take-up across businesses in Shropshire</p> <p>Support positive joint approaches towards recruitment and retention of young people in local businesses across the sub region</p>	<p>Implementation of the Council's response to the Apprenticeship Levy by April 2017</p> <ul style="list-style-type: none"> Increase in the number of apprenticeships Number of NEETs Number of roles supported through the apprenticeship levy <ul style="list-style-type: none"> i. In the Council ii. In businesses % of out of work benefit claimants by age, 18-24 years
✓	✓	✓		Shrewsbury grows as the County town and the main market towns grow as hubs for their rural areas	<p>Maintain ongoing dialogue and engagement with town and parish councils to identify and realise opportunities including enabling:</p> <ul style="list-style-type: none"> new businesses to be established existing businesses to grow 	<p>New employment land delivered in Shropshire:</p> <ul style="list-style-type: none"> Number of businesses taking up space on delivered employment land Number of jobs associated with above businesses Value of those jobs creates

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
✓	✓	✓			<p>Develop the physical growth hub to provide a single point of contact for business support</p>	<p>Shropshire overall:</p> <ul style="list-style-type: none"> • Number of business enterprises by sector and number of employees • Value of jobs created
					<p>Match strategic housing planning with the Economic Vision for Shropshire, Health and Social Care forecasts and plans, and known and expected housing need, to include:</p> <ul style="list-style-type: none"> • Lifetime homes • Care and support requirements • Current and new workforce housing requirements • Maintaining Shropshire's natural capital • Needs of and opportunities created by neighbouring Combined Authorities. • Reducing demand for accessible natural greenspace (ANG) through better provision of access in new housing developments 	<p>Land allocation published in January 2017</p> <p>Partial rewrite of the Local Plan - Final draft of the Local Development Framework agreed and submitted to the Planning Inspectorate by March 2018</p> <ul style="list-style-type: none"> • Reduce the number of households with very high demand for ANG to 4% • Reduce the number of all households with demand for ANG to 40%
✓	✓	✓	✓	Investment into Shropshire has been secured, and digital and physical infrastructure has developed creating the conditions for success	<p>Continue to work with Government and suppliers to achieve 100% digital connectivity</p> <p>Continue to work with partners and Government and through implementation of planning policy and transport policy to improve physical infrastructure</p> <p>Identifying and pursuing competitive bidding for investment funds to ensure that Shropshire's fair share of externally sources funding is secured</p> <p>Continue to work with government and the Marches LEP to maximise opportunities to secure the ESIF funding allocated to the area.</p>	<ul style="list-style-type: none"> • 92 % Premises with access to superfast broadband by December 2017* *24 megabits per second • Implementation of HS2 and Midland Engine strategies and Marches LEP strategic economic plan • Number of external grants either directly secured or indirectly secured by the council • Gross value of the external grants into Shropshire

High-level outcome (HLO)				Medium Term Outcome/Objective	Actions	Measures of success/impact
HP	RC	PE	OtC			
					Work with government and Big Lottery to ensure ESF funding is available locally to deliver new approaches to support unemployed and economically inactive people towards and into employment	<ul style="list-style-type: none"> Number of unemployed
			✓	Corporate support and overheads reduce and the efficiency of the Council has improved	<p>Specify and procure new IT systems to deliver integrated solutions for as many of the Council systems as possible including Financial, Human Resources, other corporate services and line of business systems</p> <p>Research and design structural requirements to maximise corporate support efficiency</p> <p>Implement new IT systems</p> <p>Develop and implement systems of work and IT systems that enable the reconfiguration of the Council's models of service, including with current and future partners.</p>	<p>Specification and procurement of new IT systems in winter and spring 2016/17</p> <p>Implementation of new IT systems delivered in 2018/19</p> <ul style="list-style-type: none"> Sickness absence reduces Productivity balanced with infrastructure/overhead costs Per capita unit cost measures for Council overall and by service areas e.g. by age group and geography
			✓	Commercial operating is increasing across the Council	<ul style="list-style-type: none"> Establish a Commercial strategy for the Council Set out and implement a consistent process to identify and take up commercial opportunities Change behaviours across the Council to enable commercial operation of services Ensure that commercial thinking and the identification of opportunities is integrated into strategic action plans Establishing energy supply company in commercial partnership arrangement Invest in property that can return a sustainable and higher yield than cash investments 	<ul style="list-style-type: none"> Total contribution to fixed costs and overheads (%) Total contribution to staff costs (%) Increase in commercial activity demonstrated by additional, unbudgeted income being achieved. Increase in income, sales activity and profit across teams and services with year on year targets to achieve. 25% increase, year on year, in the number of staff who receive commercial training and development. % increase in the number of partnerships with private and public sector bodies where this derives the greatest commercial and financial benefit. <p>New energy supply company in operation by March 2017</p>

References

These are shown in tabular form; further details may be found on the Council website at www.shropshire.gov.uk, with indication as to whether there is a current home page for the topic area, and team best placed to assist further with inquiries.

Reference	Current home page	Support team
Big Conversation	Big Conversation	Commissioning Support Unit (Feedback and Insight Team)
Early Help Strategy	Early Help	Strengthening Families through Early Help
Economic Vision	Business	Economic Growth Team
Financial Strategy 2016/2017 to 2018/2019	See "Council and Democracy"; Cabinet papers	Finance and Assurance
Health and Well Being Strategy	See "Council and Democracy"; Cabinet papers	Public Health
Local Joint Committees	See "Community and Living"	Community Enablement Team
Opportunity Risk Management Strategy	See "Council and Democracy"; Cabinet papers	Finance and Assurance
Performance Management Framework	n/a	Commissioning Support Unit (Performance Intelligence and Policy Team)
Sports Facilities Strategy (Draft)	See "Leisure and Culture"	Leisure Services; (Please also see related services: Museums Service; Shropshire Outdoor Partnerships Service)
Workforce Strategy	n/a	Human Resources Team





<u>Committee and Date</u>	<u>Item</u>
Council	20
15 December 2016	
10.00 am	
	<u>Public</u>

WEST MERCIA YOUTH JUSTICE PLAN 2016-17

Responsible Officer

e-mail: karen.bradshaw@shropshire.gov.uk Tel: (01743) 254201

1. Summary

- 1.1 The Youth Justice Plan sets out how youth justice services across West Mercia are structured and identifies key actions to address risks to service delivery and improvement
- 1.2 The Youth Justice Plan is endorsed by Council annually.

2. Recommendations

- 2.1 That the Youth justice Plan as attached at Appendix A be recommended for approval by Council

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The principal aim of the Youth Justice System is the prevention of offending and re-offending by children and young people. The Youth Justice Plan sets out an action plan to address the significant risks identified to future service delivery and improvement.

4. Financial Implications

- 4.1 These are covered by the existing budgetary contribution.

5. Background

- 5.1 Under section 40 of the Crime and Disorder Act 1998 each Local Authority has a duty to produce a Youth Justice Plan setting out how Youth Justice Services in their area are provided and funded and how the Youth Offending Service for the area is funded and composed, the plan is submitted to the Youth Justice Board for England and Wales (YJB).
- 5.2 The Youth justice Plan is prepared on an annual basis on behalf of Shropshire Council, Herefordshire Council, Telford and Wrekin Council and Worcestershire County Council. The basic plan preparation is undertaken by West Mercia Youth Offending Service according to the deadlines and guidance from the YJB.
- 5.3 The West Mercia Youth Justice Plan was agreed at the West Mercia Youth Offending Service Management Board on 18th August 2016 and was submitted to the YJB in September 2016.

6. Additional Information

- 6.1 The Youth Offending Service is subject to three national indicators. Performance against the indicators is outlined in the plan and actions identified to address risks to performance improvement. The Shropshire specific information is set out on pages 29 to 33 of the plan.
- 6.2 The first time entrant (FTE) indicator which is expressed as the number of first time entrants to the youth justice per 100,000 youth population was 386 for Shropshire in 2015. The Shropshire rate for the year is significantly lower than for West Mercia, 506 and but slightly higher than England, 369.
- 6.3 The second indicator is the use of custody indicator, which is measured as the number of custodial sentences per 1,000 youth population. The use of custody performance for 2015/16 was 0.21, and is lower than for West Mercia, 0.14 and England, 0.37.
- 6.4 The third indicator is re-offending. There are two measures both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency rate, is the average number of re-offences per young person re-offending in the cohort. The second is the percentage of the young people in the cohort who have re-offended.
- 6.5 The frequency measure for Shropshire for the year ending June 2014 is 3.33 and this represents an increase in performance from the previous year when the frequency rate was 3.68.
- 6.6 The percentage of young people re-offending in Shropshire for the year ending June 2014 was 34.7%. Although this rate is slightly worse than for West Mercia, 33.4, it is better than for England at 37.7%.

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

Crime and Disorder Act 1998 Section 40

Cabinet Member (Portfolio Holder)

Cllr David Minnery

Local Member

All Members

Appendices

Appendix A West Mercia Youth Justice Plan 2016/17

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WEST MERCIA YOUTH JUSTICE PARTNERSHIP



YOUTH JUSTICE PLAN

2016/17

CONTENTS

1	Introduction	4
2	Review of 2014/15	6
3	Resources and Structure	14
4	Governance and Partnerships	18
5	Risks to Future Delivery – Annual Action Plan	24
6	Management Board Approval	26
Appendix 1	Area Profile – Herefordshire	27
Appendix 2	Area Profile – Shropshire	32
Appendix 3	Area Profile – Telford and Wrekin	37
Appendix 4	Area Profile – Worcestershire	42

1.0 INTRODUCTION

Introduction from the Karen Bradshaw, Chair of West Mercia Youth Justice Service Management Board and Director of Children Services, Shropshire Council



West Mercia Youth Justice Service (WMYJS) is partnership between the Local Authorities, National Probation Service, West Mercia Police, NHS organisations across West Mercia and the Office for the West Mercia Police and Crime Commissioner. The service is accountable to the WMYJS Management Board, comprised of senior officers from each partner agency. The service was established on the 1st October 2012 replacing the previous Shropshire, Telford and Wrekin Youth Offending Service and the Worcestershire and Herefordshire Youth Offending Service following a review of how youth justice services were provided across the West Mercia area. A second phase of the review, completed in 2015/16, has resulted in the decision for the service to be hosted by the Office for the West Mercia Police and Crime Commissioner from 1st April 2016.

As we enter 2016/17 the partnership faces a number of challenges which include a significant reduction in funding from central government, along with reductions from partner agencies and the intention to implement a major re-structure of the service during the first six months of the year. This is combined with change programmes to introduce a new case management and information system and implement a new assessment and planning framework over the same period. The partnership is additionally awaiting the publication of the Ministry of Justice's national review of youth justice, led by Charlie Taylor, which is likely to signal far reaching changes in youth justice policy and delivery.

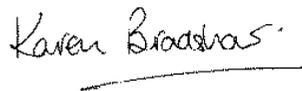
During 2015/16 WMYJS has, in particular, concentrated on improving the quality of assessments and plans following the findings of the Short Quality Screening of the service undertaken by HMI Probation in early 2015. Monthly audits have demonstrated a sustained improvement in the quality of assessment and planning throughout 2015/16. There is, however, a mixed picture in relation to performance against the national performance indicators. Performance in respect of the rate of young people receiving a custodial sentence has improved with the rate decreasing from 0.22 sentences per 1000 youth population in 14/15 to 0.14 in 15/16, this rate is significantly below national rate of 0.37. Although good progress has been achieved in reducing the number of young people receiving custodial sentences, the other two indicators, first time entrants to the youth justice system (FTEs) and re-offending have shown a slight deterioration, the FTE rate has risen from 431 per 100,000 youth population to 506 between 2014 and 2015, and the proportion of young people re-offending has increased from 30.7% for the July 2012 to June 2013 cohort to 34.7% for the July 2013 to June 2014 cohort, although this below the national rate which is at 37.7%. More detail on the national performance indicators is provided in section 2.7.

Although the FTE rate is to a large extent outside of the direct control of the youth justice service the service will be working with the Police during 16/17 to identify the main factors driving not just the increase but also the differences in the rates between the local authority areas in West Mercia. The service is piloting a bureau approach to out of court disposal decision making in Shropshire, and at the time of writing it is too early to ascertain whether this is having a positive effect on diverting young people from formal justice system sanctions, where it is appropriate to do so, but the management board look forward to receiving the evaluation of the pilot which is due at the end of the calendar year.

The re-offending rate is volatile and varies year on year in a range between 30% and 34% with no real overall trend either upward or downward. The service implemented a tool during 15/16, which tracks re-offending of current cases in real time, allowing for the review of interventions at the earliest point where re-offending occurs. The management board intends to have a focus on re-offending during 16/17 and has commissioned a report to form the basis of a themed meeting to identify further actions.

The management board welcomed the work undertaken by the service during 15/16 to capture the voice of the service user, this included a revised service user feedback process, the implementation of a new compliments, comments and complaints process and the use of the ViewPoint survey. Some summary feedback is given in section 2.6, but the headline statistic from the ViewPoint survey was that 88% of young people said that the work with the service had made them less likely to offend. Further work is required in 16/17 to ensure that voice of the service user is better represented at the management board. Some comments from service users or their carers are provided in speech bubbles throughout the body of this report.

The service and management board do not work in isolation in reducing offending by children and young people and improving the outcomes for children and young people who have entered or at risk of entering the youth justice system. The board is committed to promoting more integrated and joint work between the service and other agencies at the local area level, in particular with social care services, especially in relation to looked after children who are over represented in the youth justice system. In 16/17 the looked after children reference group of the board will be re-established. It is planned to agree a multi-agency protocol to reduce the offending by and the criminalisation of looked after children. Work is also planned with the National Probation Service to improve the arrangements for young people transitioning from youth to adult criminal justice services. Other key relevant plans are the Children and Young People's Plans, Community Safety Strategies and the Health and Wellbeing Plans for each area and the Safer West Mercia Plan. The management board recognise the need to make strategic alliances with other relevant boards and governance bodies.



Karen Bradshaw – Chair of West Mercia Youth Justice Service Management Board

2. REVIEW OF 2015/16

2.1 Changes in Service Delivery Arrangements

Following a review of service delivery arrangements undertaken during 15/16 the four Local Authorities and partner agencies agreed to transfer the hosting arrangements for the WMYJS to the Office for the West Mercia Police and Crime Commissioner from the 1st April 2016. The review agreed a new structure for WMYJS which is to be implemented during the first 6 months of 2016/17. A diagram of the new WMYJS structure is included in section 3 of this plan.

I felt my child was safe when they were with YOS (parent of service user)

2.2 Review of Key Developments 2015/16

The YOS Management Board agreed four main overarching priorities for 2015/16. The following were achieved during 2015/16.

(i) Priority 1 - Improving Performance and Developing Practice

- Monthly auditing of assessments and plans undertaken independently to teams line management was implemented which resulted in a increase in compliance to the service's quality standards
- The Junior Attendance Centre serving Worcestershire and Herefordshire was re-establishing following being closed since December 2014
- A short screening tool was developed to indentify young people who are either at risk of becoming victims of child sexual exploitation (CSE) or potential perpetrators of CSE.
- Piloting a bureau approach to pre-court decision making in Shropshire
- The development of a new service Operations Manual which includes comprehensive recording guidance.
- The merger of ICT systems to bring the whole service onto a single ICT platform

(ii) Priority 2 - Understanding our Young People

- Tracking tools for re-offending, education, training and employment and victim work were developed and implemented.
- Through a newly established participation development group new service user feedback processes were put in place including end of intervention feedback questionnaires, the “Tell Us” comments, compliments and complaints process and a “Think Participation” resource was developed for practitioners.
- Further development of the annual WMYJS needs assessment

I stopped offending. Kept drinking to a minimum. I think before I do things now. (service user)

(iii) Priority 3 - Improved Joint Working and Integration

- Continued focus on joint issues between WMYJS and social care and Police for looked after children, in particular through the work of the Management Board sub group and participation in the Police LAC decision making process pilot in Shropshire.
- Piloting joint WMYJS and Children Social Care workshops in one authority area
- Agreement of a multi-agency protocol to ensure young people charged and denied bail are transferred to local authority accommodation

(iv) Priority 4 - Governance and Communication

- Completion of the West Mercia review of youth justices services with decisions to transfer the hosting of the YOS to the Office of Police and Crime Commissioner from 1st April 2016, and a agreed new structure to be implemented during 2016/17
- Joint management team and management board workshop based around the learning points from a discretionary serious case review
- Introduction of practice presentations at management board meetings
- Confirmation of a health (CCG) representative for the YJS management board.

2.3 Innovative Practice

WMYJS has been working with West Mercia Police in the Shropshire area to pilot an approach to decision making for LAC, particularly those in children homes where the offending has occurred in the context of the placement. The process is due to rolled out across the Police strategic alliance area of Warwickshire and West Mercia during 2016/17. Although not innovative in itself WMYS has been piloting a bureau approach to pre-court decision making in Shropshire which compliments the work of the LAC forum.

2.4 Thematic Inspections

During 2015/16 the WMYJS Management Board has considered the findings from the following thematic inspections; A Inspection to Assess the Effectiveness of the Reporting, Monitoring and Learning from the Youth Justice Boards Community Safeguarding and Public Protection Incident (CSPPI) Procedures and Transition Arrangements: A Follow Up Inspection. Processes are to be put in place to address the youth justice partnership and service specific recommendations in the CSPPI report and it has been agreed to develop a new local transition protocol with NPS which will take into account the recommendations of the transitions report.

2.5 Youth Offending in West Mercia

More detailed information on offending types, offenders by age and gender and numbers and offenders by proportion of youth population for each local authority area are contained in appendices 1 to 4 of this plan.

- In West Mercia there has been a 67% reduction in the number of young people committing offences over the past ten years from 3995 young people offending in 2005 to 1310 in 2015.

Case Study - Reparation Project

WMYJS were approached by a parish council and asked to renovate a bus shelter.



Following a risk assessment, four young people worked on the preparation phase



Meanwhile other young people made flower boxes at the workshop in Telford

This then all came together in a renovated bus shelter with uniform paintwork, varnished benches and a freshly painted interior.



The local community have been thrilled, are looking after the flower boxes and the Parish Council were very pleased with the work done. They have agreed to circulate this success to other parishes to increase the potential work available to young people in future.

- The majority (82.4%) of young people entering the youth justice system for the first time in 2015 were aged 14 or over
- Nearly a quarter (24%) of first time entrants to the youth justice system during 2015 were female
- The four most prevalent offence types are violence against the person, theft and handling, criminal damage and drug related offences.
- Just over a third of young people (36.3%) receiving outcomes in 2015 that required YOS interventions were children in care
- Whilst there are some variations across the local authority areas the four most prevalent assessed areas of risk and need are thinking and behaviour, family and personal relationships, lifestyle and mental health and wellbeing.
- Young people from outside of West Mercia have a significant impact on the levels of youth crime in West Mercia. Out of area young people were responsible for 15.2% of all offending resulting in a substantive outcome in 2015.
- In 2015 just under half (49%) of young people receiving outcomes that require YOS interventions have mental health or emotional well being issues.

2.6 Views of Young People

The following data is taken from a ViewPoint survey of 76 young people who were subject to court orders managed by West Mercia YJS undertaken during the last six months of 2015/16.

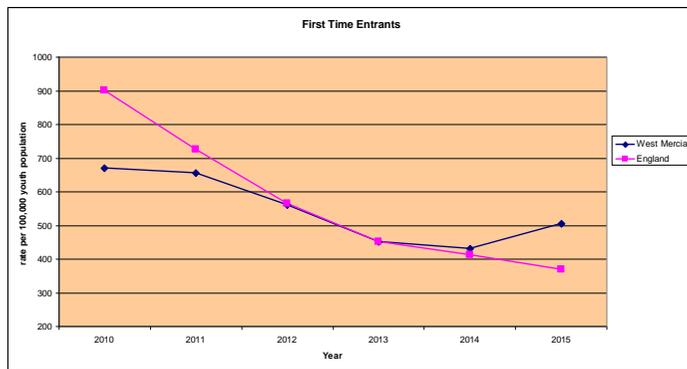
- 88% said that the work with the WMYJS has made them less likely to offend
- 97% said that the service given to them by the WMYJS was good most or all of the time
- 92% said they had enough say what went into their intervention plan
- 44% said they needed help with school, training or getting a job, of those needing help 90% said they received the help needed
- 29% said they needed help to cut down drug use and of those needing help 80% said they received the help needed.
- 19% said they needed help with relationships or things about their family, of those needing help 85% said they received the help needed.
- 19% said they needed help to deal with strange or upsetting thoughts, of those needing help 85% said they received the help needed
- 46% said they needed help to understand how to stop offending, of those needing help 97% said they received the help needed

2.7 Performance Review

Youth Justice Partnerships are subject to three national indicators;

- First Time Entrants (FTE) to the Youth Justice System
- Use of Custody
- Re-Offending

(i) First Time Entrants to the Youth Justice System (FTE)



The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (Youth Caution, Youth Conditional Caution or

Conviction). A lower figure denotes good performance.

The rate of FTEs across West Mercia for 2015 was 506, which is an deterioration on the performance for 2014 when the FTE rate was 431. The rate in West Mercia for 2015 is higher than the national rate of 369.

The percentage reduction in the rate of FTEs in West Mercia over the period 2010 to 2015 has been 26%.

Case Study – The Pilot Youth Bureau



This is a pilot scheme that aims to assess all young people coming to police notice, issuing the fairest and most effective decision and where necessary, intervention to reduce the likelihood of further offending.

The Youth Bureau involves a Police decision maker, WMYOS staff, a panel member (a trained and vetted member of the community) and other professionals where relevant.

The young person and their parents/carers then attend to receive the decision and implement any intervention straight away.

This pilot is due to report in autumn 2016

Case one – Sexting – A sixteen year old school boy with no previous offending history who forwarded an indecent image to a friend and like many other young people, he had not realised that he had committed an offence until he was dealt with by Police.

He was extremely remorseful and naïve. Prior to the bureau being in place, he may well have received a caution direct from police. This would have also attracted sex offender registration. The ongoing restrictions would then have affected his future employment prospects.

WMYJS were able to offer an enhanced community resolution along with a package of intervention around safe internet use and appropriate internet safety interventions.

There have been no further allegations about this young person.

Case two – Racial Harassment - This relates to a fifteen year old Shropshire school girl who racially abused the victim. There had been some minor contact with police previously.

On this occasion she was assessed by WMYJS and it was clear that there were vulnerability issues. These impacted on her ability and consequently her understanding of the impact of her behaviour.

As a result of the Bureau an enhanced community resolution has been able to be issues supported by an intervention programme delivered by WMYJS to address self esteem, impact of her behaviour on others and referral to Child and Adolescent Mental Health Services for assessment and support.

Had this young person been dealt with by the police alone it is likely that she would have received a youth caution, no further support and the identified issues would have continued, potentially leading to further harm to the community

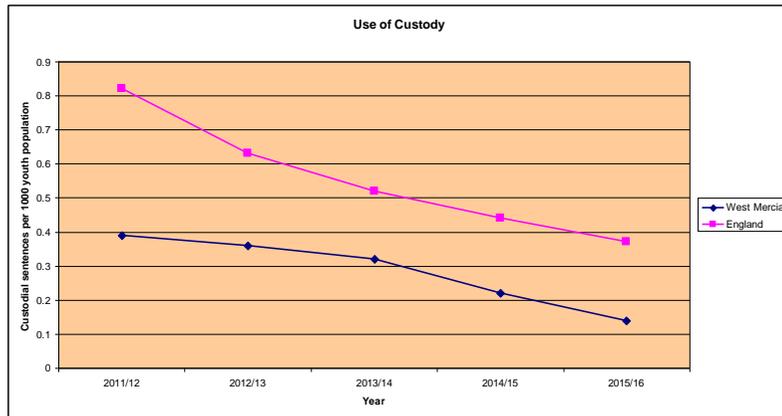
There have been no further allegations about this young person.

Within West Mercia there are differing FTE rates between the four Local Authority areas, with the highest being 641 and the lowest 386. Some initial analysis undertaken in 2014 demonstrated that the highest rate was in part, a result of higher detection rates and a lower proportional use of the informal disposal of Community Resolution. Further analysis is required to ascertain the reasons behind the rise in the FTE rate experienced during 2015

I haven't offended again since being with YOS. I have learnt about victim awareness and having to put yourself in someone else's shoes. (service user)

The first time entrant rate is to a great extent outside of the control of the WMYJS, however WMYJS, jointly with West Mercia Police are piloting a bureau approach to out of court decision making in Shropshire which aims to divert low level offenders from formal justice sanctions through the use of restorative processes.

(ii) Use of Custody



The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year old population. West Mercia has, historically, had a low rate of custodial sentences. A lower figure denotes good performance.

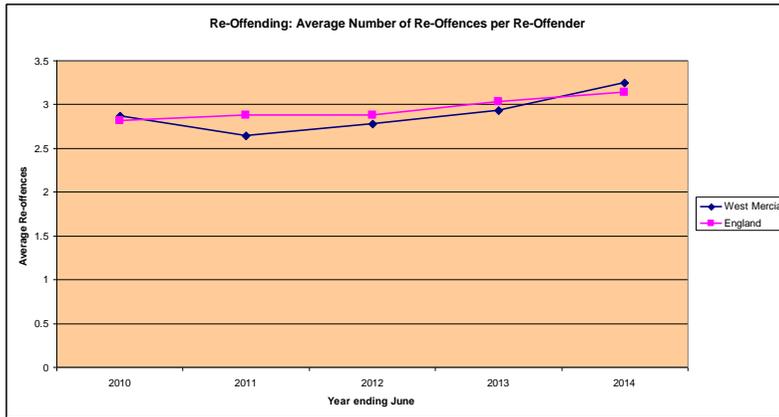
For 2015/16 the use of custody rate for West Mercia was 0.14 against the rate for England of 0.37, West Mercia performance is, therefore, significantly better than the national performance. The West Mercia rate for 15/16 has improved from 14/15 when it was 0.22.

Over the four year period of 2011/12 to 2015/16 the rate has reduced from 0.39 to 0.14, a reduction of -64% which compares favourably to the reduction of -55% for England over the same period

The actual fall in custodial sentences was from 46 in 2011/12 to 16 in 2015/16, a reduction of 65%.

(iii) Re-Offending

There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per re-offender in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. The most recent data for the re-offending measure is for the cohort identified in the year ending July 2013 to June 2014. In both measures a lower figure denotes good performance.

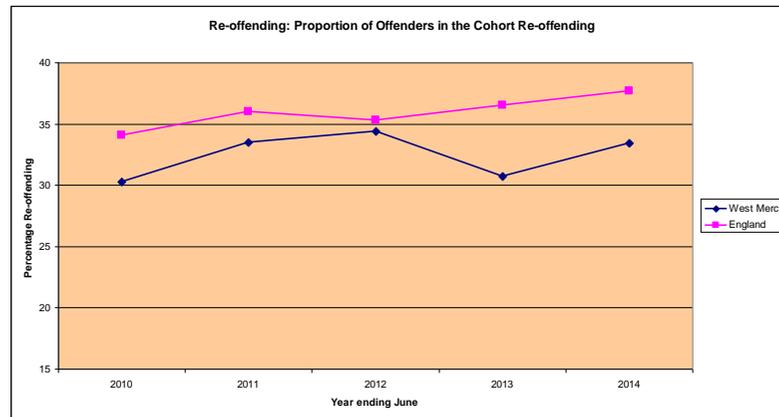


For the year ending June 2014 the frequency measure performance for West Mercia was 3.25, compared to national performance 3.14.

A comparison over the five year period of the years ending June 2010 and the year ending June 2014, shows a 13% increase in the rate from 2.87 to 3.25, over the same period the rate for England has risen by 12%.

The binary measure performance for the year ending June 2014 for West Mercia is 33.4% compared with national performance of 37.7%.

A comparison over the five year period for the year ending June 2010 to the year ending June 2014, show that this measure is volatile varying year on year in a range between 30% and 34%. The national rate also shows a year on year variation over the same period but within the range of 34% and 38%.



It should be noted that the cohort size is falling, from 1975 young people in the June 2010 cohort compared to 811 young people in the June 2014 cohort. The number of re-offences has also decreased over the same period from 1718 to 882 a decrease of -49%.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs. Early

information from the tracker tool has identified that only a small proportion of young people re-offend leading to a further conviction whilst subject to a YOS intervention, between September and December 2015 only 3.6% of young people subject to YOS interventions were reconvicted of a further offence.

3. RESOURCES AND STRUCTURE

3.1 Income

The Youth Offending Service has a complex budget structure comprising of partner agency cash, seconded staff and in kind contributions and the Youth Justice (YOT) Grant from the Youth Justice Board for England and Wales. The table below outlines the agreed contributions for 2016/17.

I felt treated as a person and not a criminal (service user)

Agency	Staffing costs Secondees (£)	Payments in kind – revenue (£)	Other delegated funds (£)	Total (£)
Local Authorities ¹			1,228,499	1,228,499
Police Service	237,892		63,000	300,892
National Probation Service	126,066		115,066	241,132
Health Service	129,860		51,894	181,754
Police and Crime Commissioner			180,293	180,293
YJB Youth Justice (YOT) Grant			1,140,721	1,140,721
Total	493,818		2,779,473	3,273,291

In addition to the YJB Youth Justice Grant outlined in the table there is a further grant for the running of the Junior Attendance Centres of £50,318.

¹ Where YOTs cover more than one local authority area YJB Youth Justice Plan guidance requires the totality of local authority contributions to be described as a single figure.

3.2 The YJB Youth Justice (YOT) Grant

The YJB Youth Justice (YOT) Grant is provided for the provision of youth justice services with an aim of achieving the following outcomes; reducing re-offending, reducing first time entrants, reducing the use of custody, effective public protection and effective safeguarding. The grant will form part of the overall pooled partnership budget for WMYOS, which is used to deliver and support youth justice services across West Mercia. The outline draft budget for 2016/17 is provided below, the expenditure against the Youth Justice Grant is included in this budget.

I've also done work around my victim and have met him face to face this made me feel like I could get my own apology across and I faced up to my actions (serviceuser)

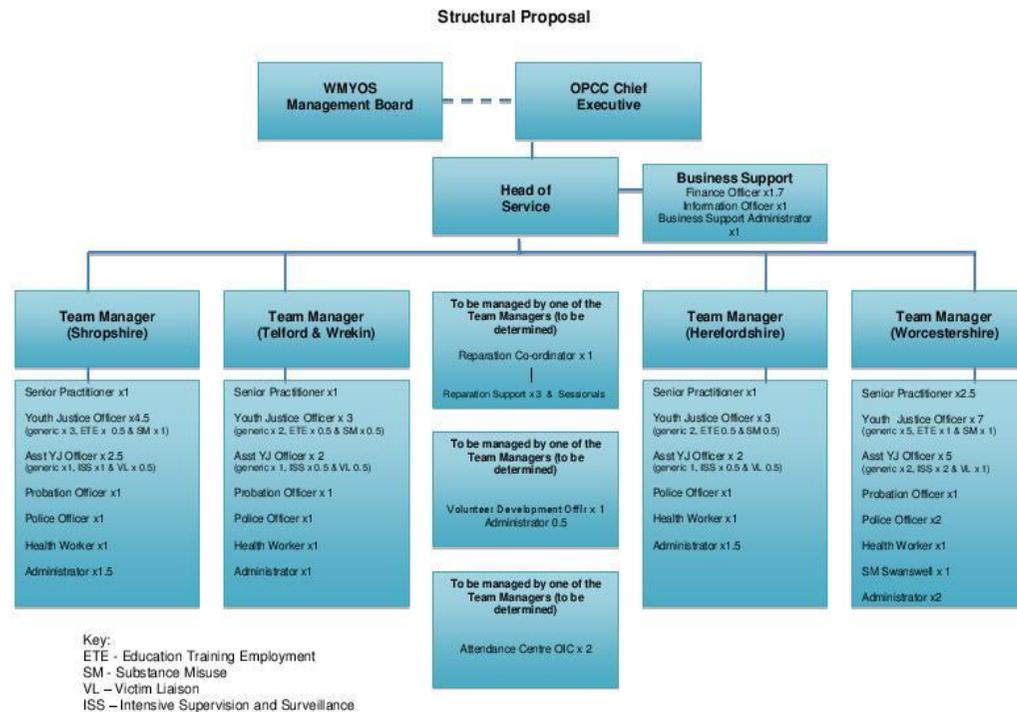
This draft budget has been profiled on the service structure at 31st March 2016, and will be re-profiled mid year to take account of service re-structure.

Category	Budget (£)
Salary and Wages	2,410,276
Travel and Expenses	122,880
Training and Development	23,680
Accommodation	197,356
Voluntary Associations	0
Commissioning	82,730
ICT	86,530
Other	35,150

West Mercia YJS is due to implement AssetPlus, the new national assessment tool for YOTs in June 2016, this will also coincide with the implementation of the ChildView information system. It has been agreed that the implementation costs of these two systems are to be met from reserves.

3.3 WMYJS Structure and Staffing

The West Mercia Youth Offending Service currently comprises five multi-agency service delivery teams, aligned to the Local Authority areas (two teams in Worcestershire) to deliver the majority of services supported by a central services team. In the first six months of 2016/17 a revised structure is being implemented which will comprise four area teams aligned to the Local Authority areas. A structural diagram of the new structure is given below.



The YOS is compliant with the minimum staffing requirements outlined in the Crime and Disorder Act 1998, as can be seen from the structural diagram above. There are four HCPC registered Social Workers within the staffing group.

3.4 Staff and Volunteers by agency, gender and ethnicity

The tables below show staff and volunteers by agency, gender and ethnicity. This data is at 31st March 2016.

My attitude has improved towards my dad, I have calmed down a little bit. (service user)

PAID STAFF BY AGENCY							
Agency	Local Authorities	National Probation Service	Police	NHS Trusts	Voluntary Sector	Agency	Total
No of Staff	69	1	5	1	4	2	82

PAID STAFF BY GENDER AND ETHNICITY						
GENDER		ETHNICITY				
Male	Female	White	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/Caribbean/Black British	Other Ethnic Group
28	54	78		3	1	

VOLUNTEERS BY GENDER AND ETHNICITY						
GENDER		ETHNICITY				
Male	Female	White	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/Caribbean/Black British	Other Ethnic Group
37	57	89	2	2	1	

3.5 Staff and Volunteers Trained in Restorative Justice

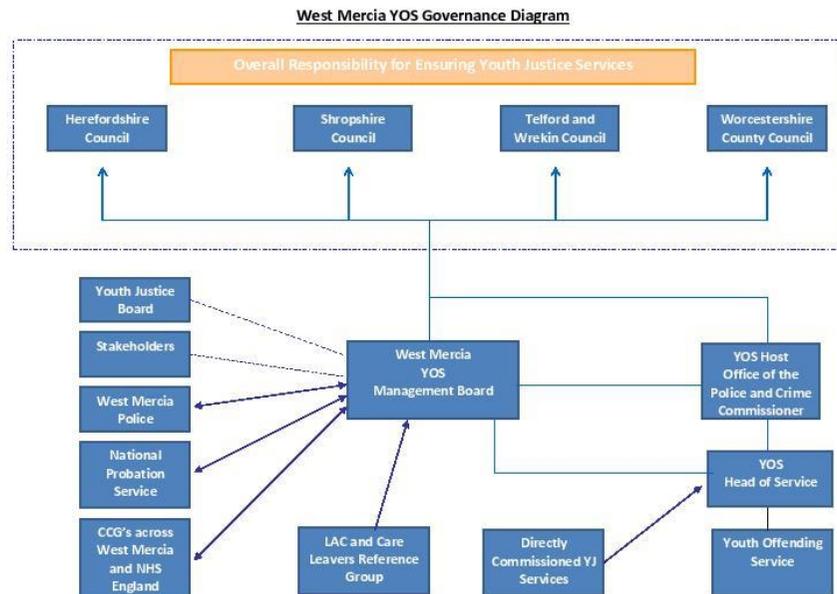
At 31st March 2016 there are 63 staff and 32 panel members trained in Restorative Justice (RJ) conferencing, 8 staff are trained in managing complex cases and 5 managers have training in RJ supervision and management. There are 4 members of staff who are trainers in RJ, and 18 staff have received specific training in victim liaison and contact.

4. GOVERNANCE AND PARTNERSHIPS

4.1 Governance

WMYJS is managed on behalf of the Local Authorities and the WMYJS partnership by the Office for the Police and Crime Commissioner West Mercia (OPCC). Day to day management of the Head of Service is provided by jointly the Chief Executive of the OPCC and the Chair of the Management Board (DCS Shropshire). The Youth Offending Service is accountable to the WMYJS Management Board and the Management Board is accountable to each of the Local Authorities for the commissioning and delivery of youth justice services.

The partnership Youth Justice Plan is approved by the Management Board and approved by each of the four top tier Councils. The diagram below outlines the governance arrangements of West Mercia Youth Justice Service.



The Youth Justice Service Management Board is currently chaired by the Director of Children Services for Shropshire Council. The Membership of the Board at 1st April 2016 is outlined in the table below:

I can now express my feelings better, make better decisions. I'm going to college. (service user)

Agency	Representative	Role
Worcestershire County Council	Simon White	Director of Children Services
Shropshire Council	Karen Bradshaw	Director of Children Services
Telford and Wrekin Council	Clive Jones	Director of Children, Family and Adult Services
Herefordshire Council	Jo Davidson	Director of Childrens Wellbeing
National Probation Service	Tom Currie	Head of West Mercia
West Mercia Police	Amanda Blakeman	Assistant Chief Constable
West Mercia Clinical Commissioning Groups	Vacant at 1 st April 2016	
Office for the West Mercia Police and Crime Commissioner	Andy Champness	Chief Executive

The Board has adopted the following purpose and underlying principles:

Purpose

- To focus collaborative multi-agency effort on work to improve outcomes for Young Offenders by offering an exemplary service, with timely interventions and strong links and partnership across all local services including Children's Services, criminal justice and community safety sectors.
- To set strategic direction for the Youth Offending Service across West Mercia and agree and review local youth justice planning
- To provide support and challenge to the West Mercia YJS on operational performance.

Underpinning Principles

- To demonstrate effective leadership, support and challenge to the West Mercia YJS.
- To ensure that WMYJS is compliant with relevant national standards, including Youth Justice Board and local arrangements, and deals with exceptions/risks appropriately
- To ensure available resources are used efficiently to run an effective service.
- To ensure that Local Authorities jointly and singly manage the arrangements with the host agency.
- To provide the necessary governance to effectively steer the delivery of the service

The Management Board meets every two months and monitors the performance and quality of the service through regular reporting. Where necessary the Management Board will monitor compliance with the YJB Grant conditions through exception reports. There is an agreed process of reporting community safeguarding and public protection incident reviews into the Management Board and the Board monitors the progress of critical learning review action plans as a standard agenda item

I have learnt new skills, such as painting, cutting trees etc whilst out with my reparation worker (service user)

The Management Board ensures that, where relevant, commissioning across partner agencies take account of the needs of young people in or at risk of entering the youth justice system, and where appropriate explore joint commissioning arrangements.

4.2 Priorities for 2016/17

The Management Board agreed four main priorities for 2015/16 and has decided to continue these for 2016/17

1. Improving Performance and Developing Practice
2. Understanding our Young People
3. Improved Joint Working and Integration
4. Governance and Communication

1. Improving Performance and Developing Practice

As a response to various service audits and the SQS inspection of the service published in May 2015 the service implemented a new quality assurance and performance framework during 2015/16, resulting in an increase in compliance against locally defined standards that were applied to the assessment and planning process. In 2016/17 WMYJS will be implementing both a new information system, ChildView and the new national assessment framework, AssetPlus. These developments will require the implementation of a revised quality assurance and performance framework during 16/17. The Worcestershire and Herefordshire Junior Attendance Centre was re-opened in 2015/16, further work is required in 2016/17 to identify a permanent officer in charge and develop the curriculum of both centres in West Mercia. At the end of 2015/16 WMYJS implemented a pilot bureau approach to out of court disposal decision making. This pilot is due to end in Q2 2016/17, when it will be evaluated and potentially rolled out across West Mercia. Following the implementation of the new assessment process the service will need to review the current risk management processes.

2. Understanding our Young People

As noted in the performance section of this plan there was a rise in the first time entrant rate in West Mercia in 2015 and this is contrary to the national trend. Work will be undertaken to try and understand the reasons behind this. Previous work to identify drivers behind the differing rates across West Mercia identified detection rates and out of court disposal decision making to be significant factors, so this will inform the start point for further analysis. A service participation group was established in 2015/16, leading on service user engagement. The group revised the service user feedback process, and implemented a comments, compliments and complaints scheme. The work needs to be built on during 2016/17, to ensure that positive use is made of the feedback and ensure the voice of service users is heard by WMYJS management board. A needs assessment developed in 15/16 will be built on to inform service planning for 2017/18.

3. Improved Joint Working and Integration

Promoting greater integrated and joint working between WMYJS and other services remains a key priority. The LAC group will be revitalised in order to continue to look at joint issues between Children's Social Care and WMYJS in relation to children in care. WMYJS will take a lead in agreeing a multi-agency protocol to reduce the need to criminalise looked after children. A revised case transfer protocol between the YOS and the providers of probation services will be developed taking account the thematic inspection on transitions published by HMI Probation during 15/16 and to ensure that the approach to transition is informed by the T2A principles, and work the young person following transition builds on the work undertaken by WMYJS. During 15/16 a decision making forum for looked after children was piloted by West Mercia Police in Shropshire, supported by and involving the WMYJS. WMYJS will continue to support this initiative as it is rolled out across the Police strategic alliance area.

Case Study – Restorative Justice Conference

Restorative justice involves the bringing together of the victim and the offender in order to repair the harm that has been caused. WMYOS has trained its entire front line staff in the use of restorative justice techniques, in order that this can be used wherever possible.



The most benefit can often be gained from a restorative justice conference. These are only held if the victim wants this form of intervention to happen. It is a right under the victim charter for these to be available in all areas of the country from youth justice services.

Following preparation of both the victim and offender, then a meeting is held that enables the victim to explain how they have been affected by the offenders actions. Many victims find this to be helpful in many ways.

17 year old Robert was involved in the robbery of a mobile phone, in Cambridge, where Robert was living at the time of the offence. The victim was a Japanese national who was working with one of the university colleges to assist them with biology studies.

Robert went to court and received a court order for 12 months. From the beginning of the WMYJS involvement Robert was willing to engage with the victim for restorative justice purposes.

During the time period between court and the restorative justice conference taking place, Robert had his own mobile phone stolen. This increased his understanding of how his victim could be feeling.

The restorative justice conference took place in a mutually agreed venue in Cambridge. The conference was far reaching for both the victim and Robert. The victim explained the effect of the robbery, losing his contacts, impacting on his relationship and hindering his work. He was frightened by the robbery, not going out on his own.

The conference was a success with the victim able to understand that he was not deliberately targeted, that is was not a racial attack and was not going to be repeated. He has been able to go out on his own since.

For Robert the lasting outcome has been that this appears to have made Robert stop and think about the impact of his behaviour on others when he is able to identify an obvious victim.

4. Governance and Communication

During 2015/16 the Management Board completed the service review and agreed to transfer the service to the Office of the West Mercia Police and Crime Commissioner with effect from 1st April 2016. Due to the financial pressures faced by the service a review of the service structure has commenced with the aim of the Management Board agreeing a new service structure in the first quarter of 2016/17 with implementation to take place during the first half of 16/17.

4.3 Safeguarding

Safeguarding remains a key area of focus for the service. WMYJS has a key role in safeguarding young people, in terms of assessing and reducing the risk of harm to the young people either from their own behaviour or the actions of others and reducing the risk of harm they may pose to others.

There are specific actions under each of the four main priorities which address safeguarding within service delivery, these include the AssetPlus implementation, review of the risk management processes and the work to reduce the need to criminalise looked after children. WMYJS will continue to undertake critical learning reviews when safeguarding or public protection incidents occur, and apply any learning to future service delivery. The YJS is reviewing safeguarding policy and developing more of a focus on domestic abuse, and peer domestic abuse.

4.4 Partnerships

The Youth Justice Service only has one outsourced service, the provision of Appropriate Adults for young people in Police custody. The service is provided by a local voluntary sector organisation YSS.

WMYJS is a member of the four Safeguarding Children Boards and several of the board's sub groups and the Children's Trusts or equivalent partnerships. The YOS is represented on the Crime and Disorder reduction partnerships at the unitary or top tier authority level. The YOS is an active member of the West Mercia Criminal Justice Board and the MAPPA Senior Management Board.

WMYJS is represented on the strategic planning groups of Troubled Families programmes across three areas and has been contributing to all four programmes mostly the exchange of data and information, and directly contributing to delivery where relevant.

WMYJS is represented on the Channel Panels across West Mercia established as part of the Prevent strategy. YOS staff have undertaken WRAP training in most areas. Further work is required to ensure that the YOS is able to respond in delivering appropriate programmes of intervention to young people who are at risk of extremism.

The National Police Chiefs Council (NPCC) has a children and young peoples strategy which has four priority areas; Children in Care, Detention, Custody and Criminalisation, Stop and Search and Engagement. Locally Warwickshire and West Mercia Police have established a Children and Young Peoples Board to take forward a local plan based on the national priorities above, and WMYJS are participants within this. A joint protocol regarding the PACE transfer of young people charged and denied police bail between the Police, WMYJS and Local Authorities has been agreed. WMYJS is currently leading the work on developing a multi-agency protocol to reduce the criminalisation of children in care.

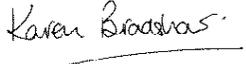
5. RISKS TO FUTURE DELIVERY – THE ANNUAL ACTION PLAN

Risk to Future Delivery	Action	Key Priority	Owner	Timescale (by end of quarter)
Priority 1 – Improving Performance and Developing Practice				
Intervention plans not sufficiently addressing assessed risks leading to increased risk of re-offending, increased risks of harm to others or increased risks of harm to self.	Staff Training – AssetPlus and ChildView	1	AP Lead and ICT Lead	Q1
	Implementation of AssetPlus assessment framework	1	AP Lead	Q1
YOIS does not support the new assessment framework	Upgrade Client/Management Information system to ChildView	1	ICT Lead	Q1
JACs not meeting the national specifications	Further development of the JAC programme	1	AC Lead	Q3
QA and Performance Framework not designed to support new APIS framework	Revised QA process and tools to be developed	1	QA Lead	Q3
Inconsistent risk planning processes/ current processes may not support new APIS framework.	Review of the service's management of risk processes	1	QA Lead	Q3
Out of court decision making inconsistent across West Mercia leading to differential FTE rates	Evaluate the Shropshire Bureau pilot – service wide implementation plan if successful	1	HoS	Q3
	Put in place revised OoCD joint decision protocol with West Mercia Police	1	HoS	Q4
Priority 2 – Understanding Our Young People				
Insufficient understanding of reasons for the increasing rate of FTEs	Analysis of the drivers behind rising rate of FTEs	2	Performance Lead	Q3
	Devise and implement a FTE tracking tool	2	Performance Lead	Q3
Service development not informed by user feedback	Bulid on service user feedback framework implemented in 2015/16	2	Participation Lead	Q3
	Service user views to be built into Management Board performance reporting framework	2	Participation Lead	Q2

Risk to Future Delivery	Action	Key Priority	Owner	Timescale (by end of quarter)
Future planning not informed by relevant data and information	Further development of the annual assessment	2	Performance Lead	Q4
Priority 3 – Improved Joint Working and Integration				
Disproportionate criminalisation of LAC affecting FTE and re-offending rates	Agreement of multi-agency protocol to reduce criminalisation of LAC	3	HOS	Q3
	YOS to support roll out of the LAC decision making forums	3	AMs	Q3
	Re-establish YOS LAC reference group	3	HOS	Q2
Unplanned transition between youth and adult services leading to increased risks of re-offending	Revise the YOS/Probation transfer protocol to ensure it complies with recommendations of the HMI Probation thematic inspections	3	HOS	Q2
	Implement the use of the Y2A portal for case transfer	3	ICT Lead	Q3
Lack of joint working with other agencies and services leading fragmented planning and case management	YOS to develop better and more co-ordinated planning with Children's Social Care at a local level	3	AMs	Q2 – Q4 (on going)
	Review and where necessary revise working protocols with Children's Social Care and CAMHS	3	HOS	Q4
Priority 4 – Governance and Communication				
Cost of current structure exceeds service income, does not make best use of resources and provide flexibility of use of resources across the service	Agree a revised service structure	4	MB	Q1
	Implementation of new structure	4	HOS/OPCC	Q2 – Q3
Leadership team unable to change culture of service and implement successfully new ways of working	Leadership team development and management of change training programme	4	HOS	Q3
Leases coming to an end	Development of an accommodation strategy for the YOS	4	OPCC	Q3
A disconnect between the management board and management team	Joint management board and management team workshop when new structure in place	4	CMB/ HOS	Q3
New structure not recognised as a new approach to service delivery.	Service to be rebranded and a Youth Justice Service.	4	HOS	Q3

6 MANAGEMENT BOARD APPROVAL

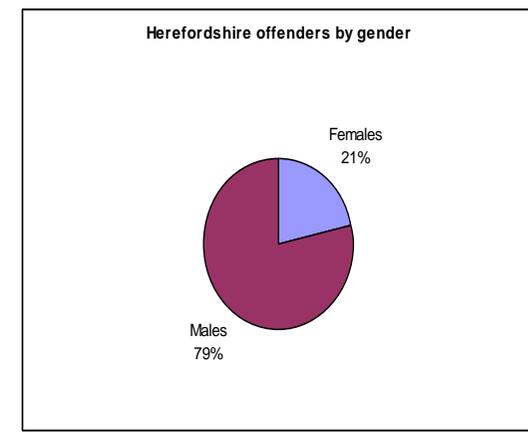
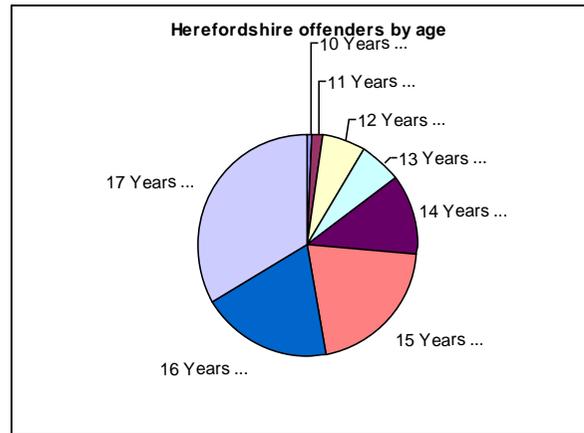
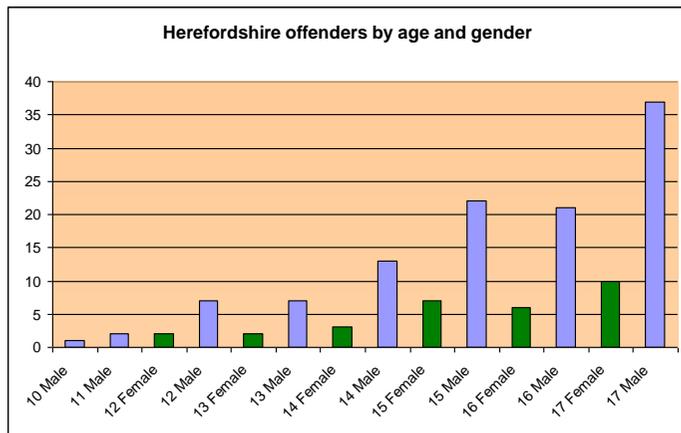
The plan was agreed at the Management Board meeting held on 18th August 2016.

Agency	Agency	Signature
Catherine Driscoll	Worcestershire County Council	
Karen Bradshaw	Shropshire Council	
Clive Jones	Telford and Wrekin Council	
Jo Davidson	Herefordshire Council	
Tom Currie	National Probation Service	
Amanda Blakeman	West Mercia Police	
Andy Champness	Office of the West Mercia Police and Crime Commissioner	

APPENDIX 1 - AREA PROFILE – HEREFORDSHIRE

Youth Offending Population – all Young People

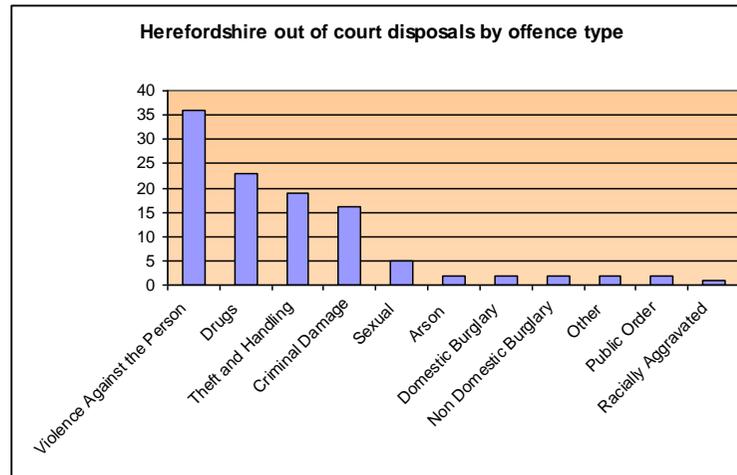
There are 16,261 young people aged 10 to 17 in Herefordshire. In 2015/16 there were 176 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Herefordshire young people. A total of 140 individual young people accounted for these 176 outcomes, 0.86% of the youth population.



Of the 140 young people entering or in the youth justice system in 2015/16, 79% were male. The majority, 73%, were aged 15 to 17 years. The peak age of offending for both young males and young females was 17 years.

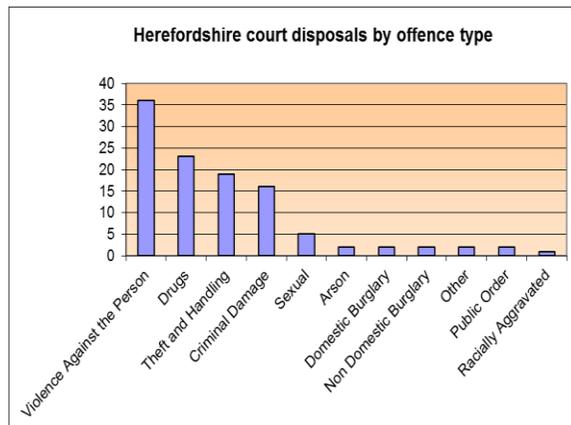
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2016/17 there were a total of 110 pre-court disposals made on 102 Herefordshire young people, 107 of these were Youth Cautions and 2 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2014/15 intervention programmes were provided for 9 pre-court disposals.



The most frequently occurring primary offences for out of court disposals were violence against the person, 28% drug offences, 24% followed by theft and handling, 16% and criminal damage, 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 50 Herefordshire young people accounted for 66 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 35 of the 66 court outcomes.

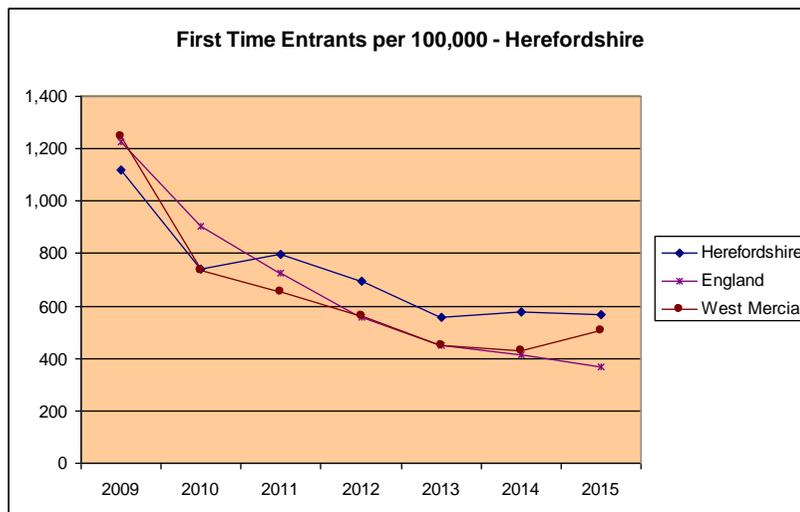
The majority, 93% of young people receiving court sentences were aged 15 to 17, with 17 year olds accounting for 50% of young people receiving a court sentence.

The most frequently occurring primary offence for court sentences was violence against the person, accounting for 33% of all offences. Drug offences were the next frequently occurring offence, 21%, followed by theft and handling, 17% and criminal damage 15%. These four categories of offences accounted for 86% of all offences charged to court.

Performance Against the National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 566 first time entrants per 100,000 youth population in Herefordshire, representing a reduction of -49% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in the 2015 is 92, compared to 217 in 2009 and 95 in 2014. The rate of 566 in 2015 is an improvement in performance on 2014 when the rate was 578. All other areas in West Mercia experienced an increase in the rate in 2015 compared with 2014. The West Mercia rate increased from 431 to 506 between 2014 and 2015.

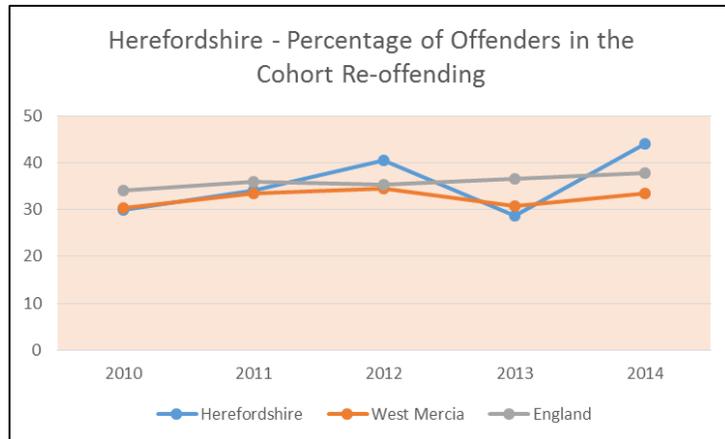
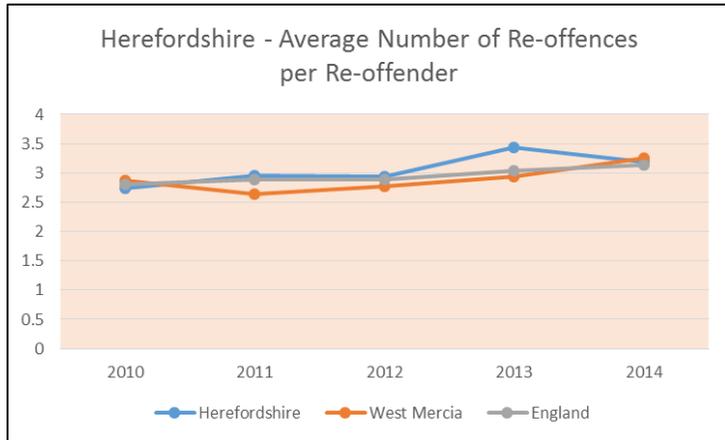
At 566 Herefordshire has the second highest rate of FTEs across West Mercia, the range in rates across the West Mercia authorities is 386 to 641. Some analysis into reasons for the high rate in Herefordshire was undertaken in 14/15, and it found that in part it is due to a higher detection rate and a lower proportional use of informal disposals.

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Herefordshire has, historically, had a low rate of custodial sentences.

There were 2 custodial sentences during 2015/16, equating to a rate of 0.12 custodial sentences per 1000 youth population this represents a reduction in custodial sentences from 2014/15 where there were 4 custodial sentences equating to a rate of 0.25. The 2015/16 rate of 0.12% compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Herefordshire for the year ending June 2014 is 3.19, compared to the West Mercia performance of 3.25 and national performance of 3.14. Herefordshire is, therefore, performing slightly less well than for England but better than for West Mercia as a whole. The performance is an improvement from the year ending June 2013 when the frequency rate was 3.43.

For the year ending June 2014 the binary measure for Herefordshire is 44.1 compared with a West Mercia performance of 33.4% and a national performance of 37.7%. For the year ending June 2014, therefore, there were a greater proportion of the cohort re-offending than for West Mercia, but they were, on average, re-offending with less frequency. It should also be noted, that the overall cohort sizes are decreasing year on year. In the year June 2010 there were 323 offenders in the cohort and 266 re-offences compared to a cohort size of 143 with 201 re-offences in 2014. The number of actual re-offences has therefore decreased by -25% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

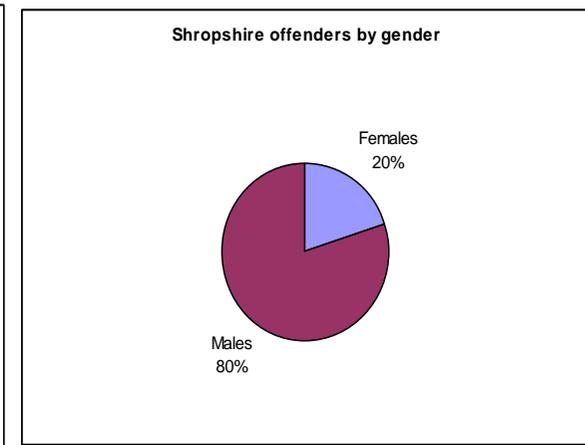
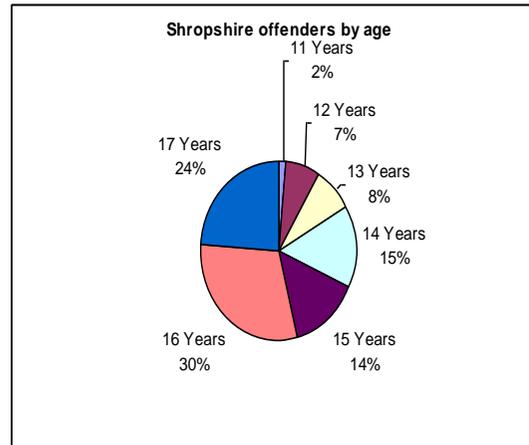
The Children, Young People's Plan 2015 - 2018 has a section on "Managing Challenges to Young Peoples Social Inclusion". Within this section the reduction of first time entrants to the youth justice system, reducing the rates of re-offending and repeat anti-social behaviour and ensuring the education, employment and training and accommodation needs of young offenders are addressed and met are priorities. Key planning priorities include developing the evidence base for effective intervention programmes to tackle crime and anti-social behaviour, ensuring capacity for accommodation for remands and PACE beds and developing pathways to meet the additional needs of young people who are in the youth justice system.

The Community Safety Strategic Plan for 2014 -2017, contains the priority to reduce offending and re-offending and bring offenders to account, under which success measures are reducing first time entrants to the youth justice system and re-offending by young people. Another priority in the plan is reducing the harm caused by alcohol and drugs, this has a particular link across as 40% of young people receiving YOS interventions have assessed substance misuse needs.

APPENDIX 2 - AREA PROFILE – SHROPSHIRE

Youth Offending Population – all Young People

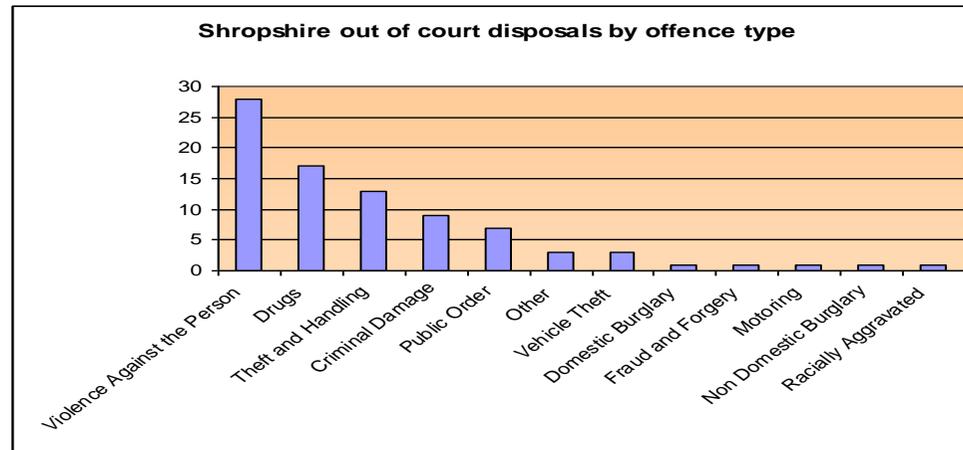
There are 28,008 young people aged 10 to 17 in Shropshire. In 2015/16 there were 140 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Shropshire young people. A total of 113 individual young people accounted for these 140 outcomes, 0.40% of the youth population.



Of the 113 young people entering or in the youth justice system in 2015/16, 90% were male. The majority, 69%, were aged 15 to 17 years. The peak age of offending for both young males and young females was 16 years.

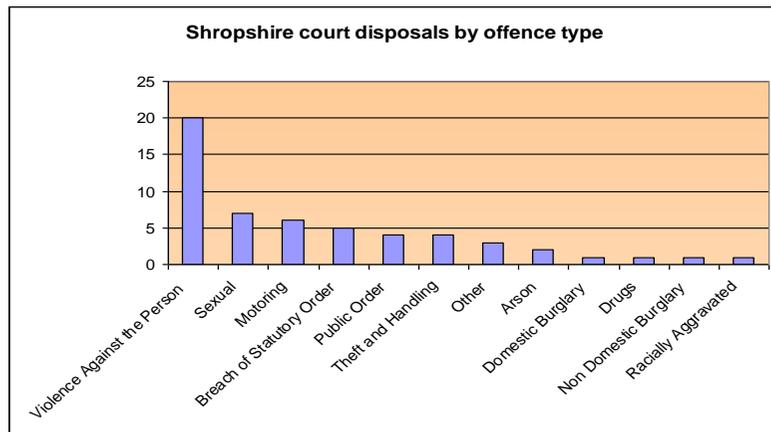
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 85 pre-court disposals made on Shropshire young people, 79 of these were Youth Cautions and 6 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 29 pre-court disposals.



The most frequently occurring primary offences for out of court disposals were violence against the person, 33%, followed by drug offences, 20%, theft and handling, 15%, and criminal damage 11%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 43 Shropshire young people accounted for 55 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 40 of the 55 court outcomes.

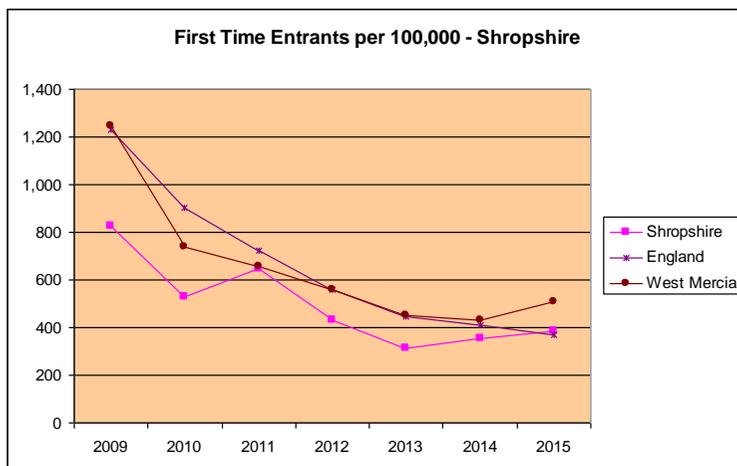
The majority, 78% of young people receiving court sentences were aged 15 to 17, with 16 year olds accounting for 38% of young people receiving a court sentence.

The most frequently occurring offence for court sentences was violence against the person, accounting for 36% of all outcomes. Sexual offences were the next frequently occurring offence, 13%, motoring offences 11%, and breach of a statutory order, 9%.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate



In the 2015 there were 386 first time entrants per 100,000 youth population in Shropshire, representing a reduction of -53% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 108, compared to 255 in 2009.

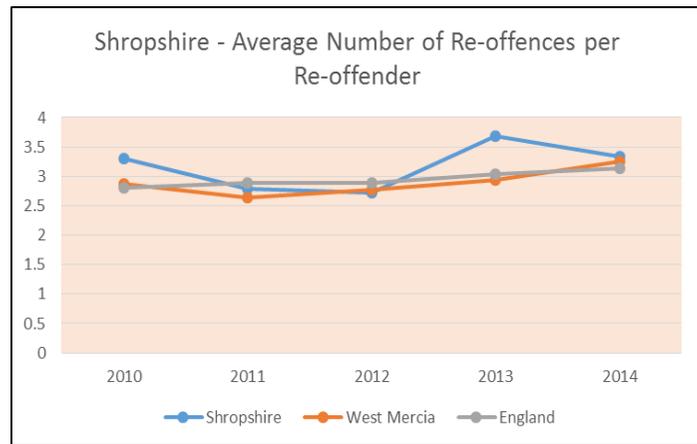
At 386 Shropshire has the lowest rate of FTEs across West Mercia, the next lowest rate being 510 and the highest 641. The Shropshire rate is slightly higher than the national rate, 369 but significantly lower than West Mercia, 506. Along with two other West Mercia authority areas Shropshire experienced a rise in the rate from 2014, from 352 to 386, a rise from 100 to 108 actual first time entrants. The YOS in partnership with the Police are piloting a bureau approach to out of court disposal decision making in Shropshire until September 2016.

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Shropshire has, historically, had a low rate of custodial sentences.

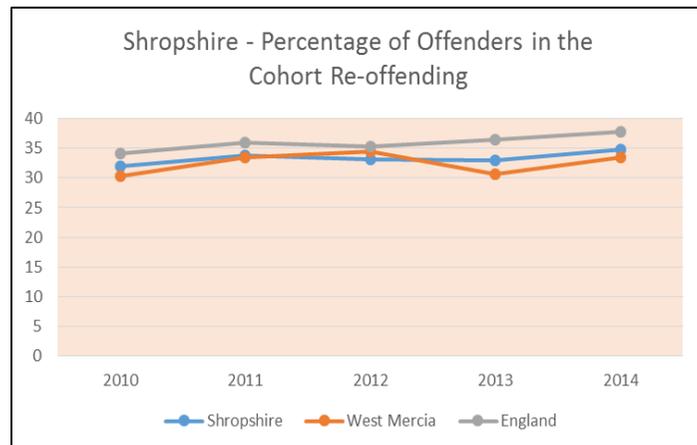
There were 3 custodial sentences during 2015/16, equating to a rate of 0.11 custodial sentences per 1000 youth population this represents an decrease in custodial sentences from 2014/15 where there were 6 custodial sentences equating to a rate of 0.21. The 2015/16 rate of 0.11% compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Shropshire for the year ending June 2014 is 3.33, compared to the West Mercia performance of 3.25 and national performance of 3.14. Shropshire is performing less well than for West Mercia and for England but represents an improvement on the previous year when it was at 3.68



For the year ending June 2014 the binary measure for Shropshire is 34.7% which is higher than the West Mercia performance of 33.4% but is significantly better than the national performance of 37.7%. It should also be noted, however, that the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 353 offenders in the cohort and 373 re-offences compared to a cohort size of 173 with 200 re-offences in 2014. The number of actual re-offences has therefore decreased by -46% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

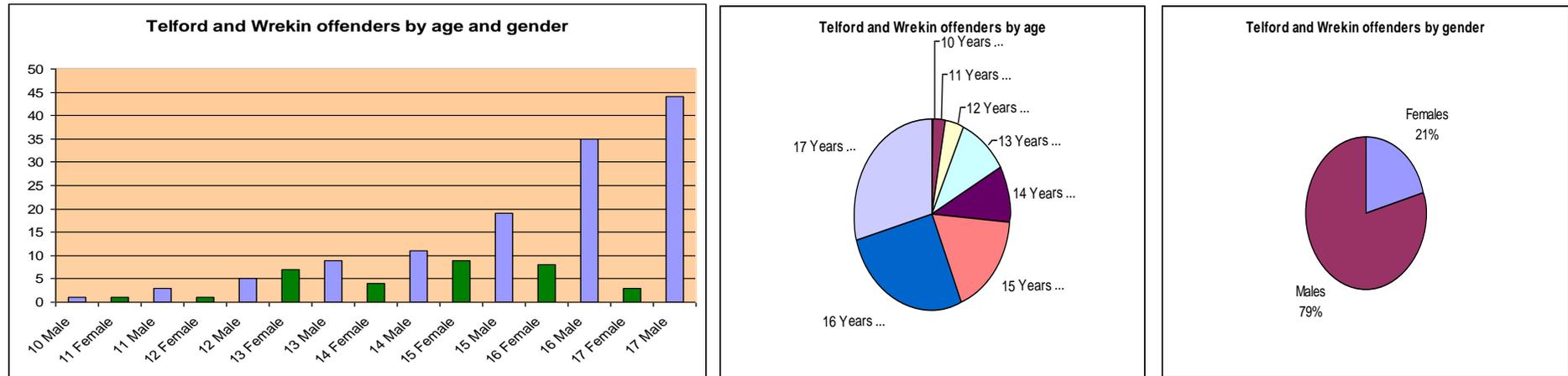
The Children, Young People and Families Plan 2014 has a key outcome area of ensuring the emotional wellbeing of young people by focusing on prevention and early intervention. Within this outcome area reducing the involvement of young people in the criminal justice system and addressing mental health and substance misuse issues are specifically referenced. Within the population of young people receiving YOS interventions in West Mercia 47% have mental health issues and 40% substance misuse issues. A key area of focus for the Children's Trust is transition planning and arrangements, and within this a key outcome is reducing the number of young people who are NEET. This will make a contribution to reducing the risks associated with offending behaviour as 38% of 16 and 17 year olds receiving YOS interventions are receiving less than 16 hours ETE.

There are direct links between the Youth Justice Plan and the priorities in Crime Reduction, Community Safety and Drug and Alcohol Strategy 2014 – 17. In particular priority one, reducing serious harm, and the sub priorities reducing offending and re-offending and alcohol and drug misuse. The YOS directly contributes to these two sub priorities in the direct work undertaken to reduce re-offending and in the delivery of substance misuse interventions to young people who are in the youth justice system, 40% of young people in the youth justice system have substance misuse issues. One of the key strands under reducing re-offending is increasing compliance, and the YOS is established a process of compliance reviewing during 2015/16

APPENDIX 3 - AREA PROFILE – TELFORD AND WREKIN

Youth Offending Population – all Young People

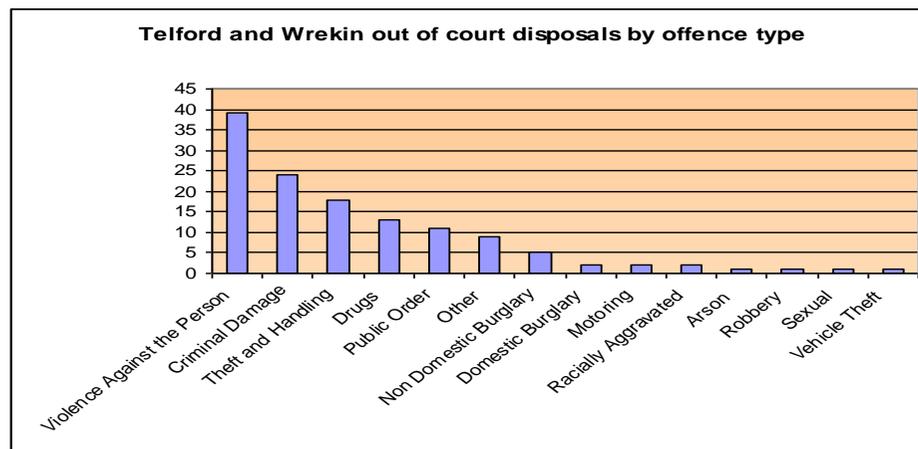
There are 16,532 young people aged 10 to 17 in Telford and Wrekin. In 2015/16 there were 201 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Telford and Wrekin young people. A total of 160 individual young people accounted for these 201 outcomes, 0.97% of the youth population.



Of the 160 young people entering or in the youth justice system in 2015/16, 79% were male. The majority, 74%, were aged 15 to 17 years. The peak age of offending for young males was 17 years and young females 16 years.

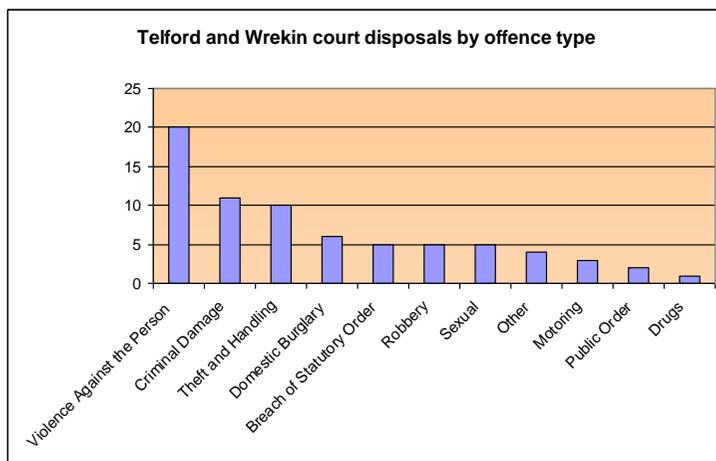
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 129 pre-court disposals made on Telford and Wrekin young people, 127 of these were Youth Cautions and 2 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 46 pre-court disposals.



The most frequently occurring primary offence for out of court disposals was violence against the person, 30%, followed by criminal damage, 19%, theft and handling, 14%, and drug related offences 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 60 Telford and Wrekin young people accounted for 66 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 56 of the 66 court outcomes.

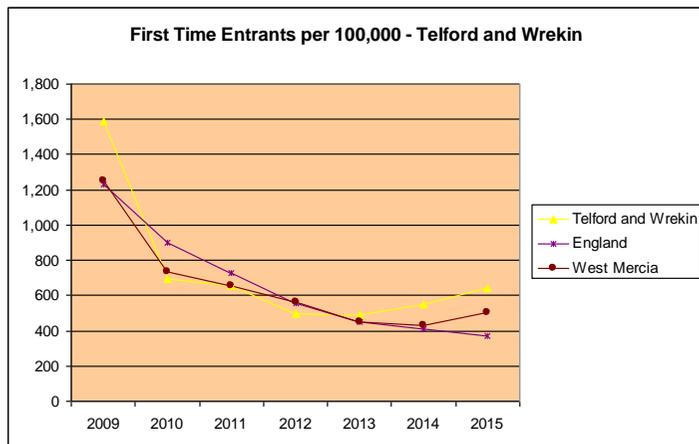
The majority, 83% of young people receiving court sentences were aged 15 to 17, with 16 and 17 year olds accounting for 64% of court outcomes.

The most frequently occurring offence for court sentences was violence against the person, accounting for 28% of all outcomes. Criminal damage was the next most frequently occurring offence, 15%, followed by theft and handling, 14% and burglary 8%. These four categories of offences accounted for 65% of all sentencing outcomes.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 641 first time entrants per 100,000 youth population in Telford and Wrekin, representing a reduction of -60% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 106, compared to 288 in 2009.

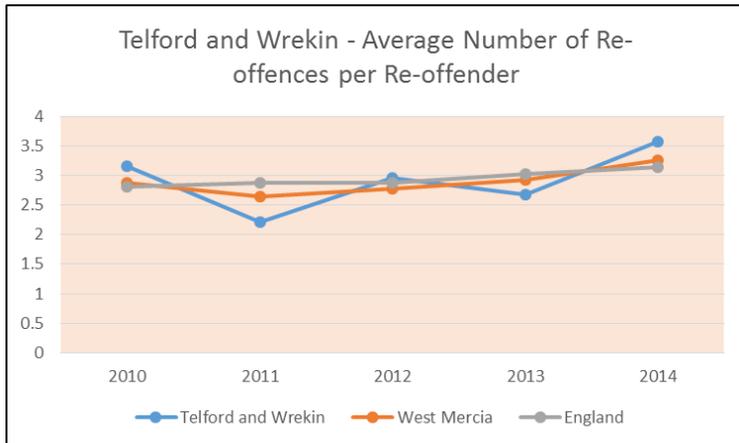
At 641 Telford and Wrekin has the second highest rate of FTEs across West Mercia, the range of rates across West Mercia being 389 to 610. Along with two other West Mercia authority areas, the rate in Telford and Wrekin increased between 2014 and 2015 from 550 to 641. Further analysis is required to establish the reason for the increased rates

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Telford and Wrekin has, historically, had a low rate of custodial sentences.

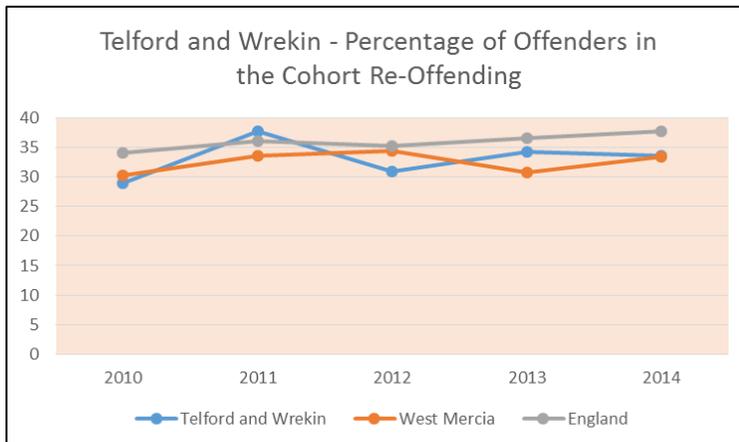
There was 1 custodial sentence during 2015/16, equating to a rate of 0.06 custodial sentences per 1000 youth population this represents an increase in custodial sentences from 2014/15 where there were 0 custodial sentences equating to a rate of 0.00. The 2015/16 rate of 0.06 compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Telford and Wrekin for the year ending June 2014 is 3.57, compared to the West Mercia performance of 3.25 and national performance of 3.14.



For the year ending June 2014 the binary measure for Telford and Wrekin is 33.6% compared with a West Mercia performance of 33.4% and a national performance of 37.7%, Telford and Wrekin is therefore performing in line with West Mercia and better than England. The 2014 performance is slightly improved from 2013 where the performance was 34.2. It should be noted the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014. The number of actual re-offences have therefore decreased by -50% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

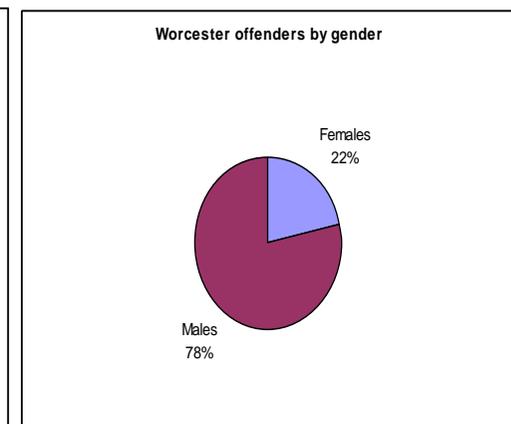
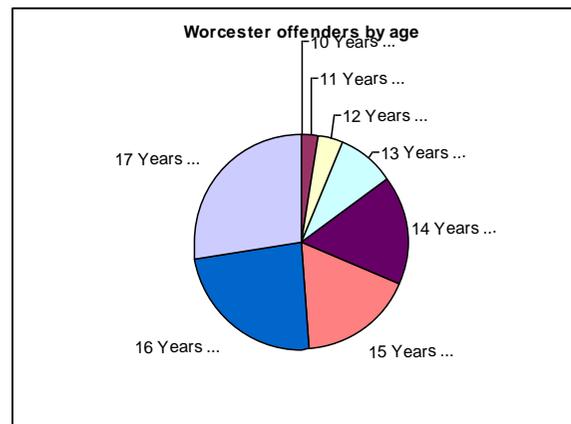
Two of the targeted areas for improved outcomes in the Children, Young People and Families Plan 2013 – 2016 that are relevant to this plan are Live Well and Work Well. Within Live Well reduced offending and re-offending is outcome measure. In Work Well the reduction of young people who are NEET is an outcome measure. NEET 16 to 18 year olds are over represented on the youth offending population with 41% of 16 and 17 year olds YOS clients in West Mercia receiving less than 16 hours ETE. There is an outcome measure to reduce the number of children in care entering the youth justice system for the first time and for those in the system reducing re-offending.

Two of the year three priorities in the Community Safety Plan 2013 -16 are; identify and tackle harm associated with all offending types and reduce the impact of anti-social behaviour has on people, places and communities. Under the first of these priorities is the reduction of offending and re-offending and tackling child sexual exploitation.

APPENDIX 4 - AREA PROFILE – WORCESTERSHIRE

Youth Offending Population – all Young People

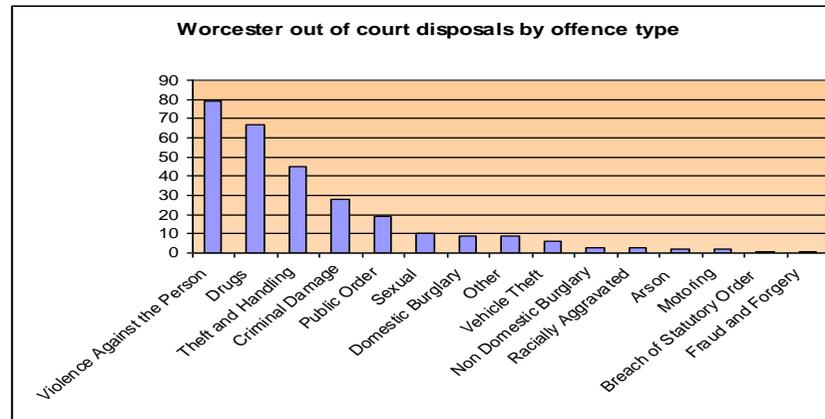
There are 50,980 young people aged 10 to 17 in Worcestershire. In 2015/16 there were 493 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Worcestershire young people. A total of 370 individual young people accounted for these 493 outcomes, 0.73% of the youth population.



Of the 370 young people entering or in the youth justice system in 2015/16, 78% were male. The majority, 69%, were aged 15 to 17 years. The peak age of offending for young males was 17 years and young females 16 years.

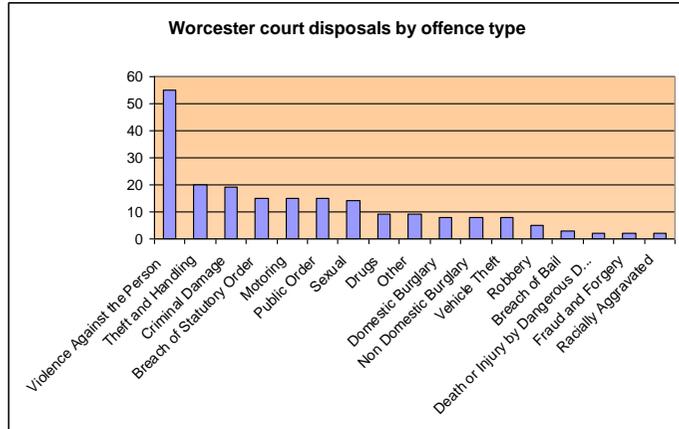
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 284 pre-court disposals made on Worcestershire young people, 273 of these were Youth Cautions and 11 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 70 pre-court disposals.



The most frequently occurring primary offence for out of court disposals were violence against the person, 28%, followed by drug related offences, 24%, theft and handling, 16% and criminal damage 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2016/17 a total of 150 Worcestershire young people accounted for 209 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 161 of the 209 court outcomes.

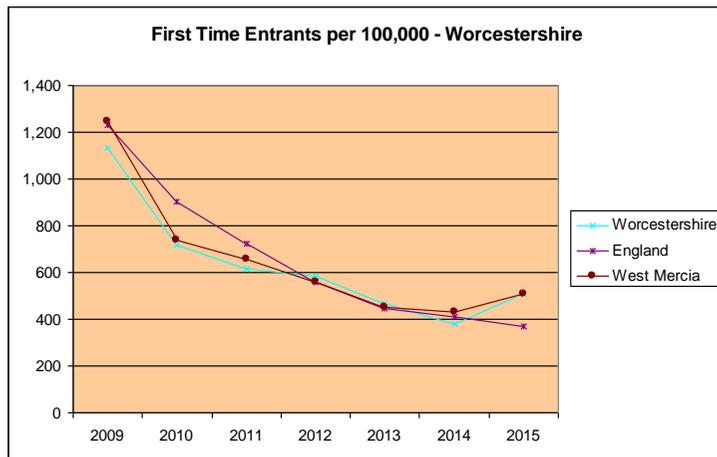
The majority, 84% of young people receiving court sentences were aged 15 to 17, with 17 year olds accounting for 38% of young people receiving a court sentence.

The most frequently occurring primary offence for court sentences was violence against the person, accounting for 26% of all outcomes. Theft and handling was the next frequently occurring offence, 10%, followed by criminal damage, 9%.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 510 first time entrants per 100,000 youth population in Worcestershire, representing a reduction of -55% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 260, compared to 639 in 2009.

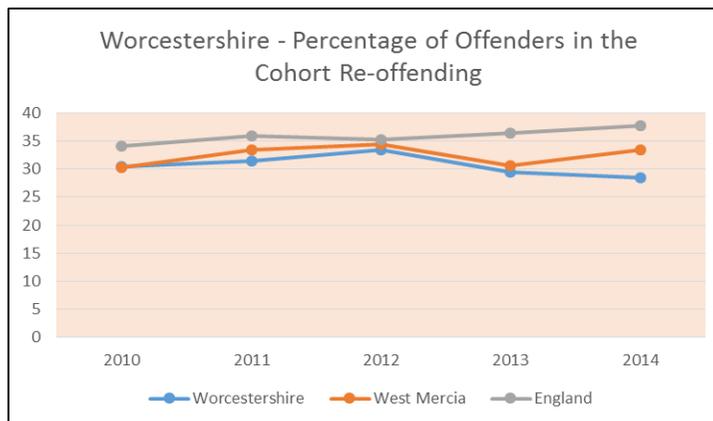
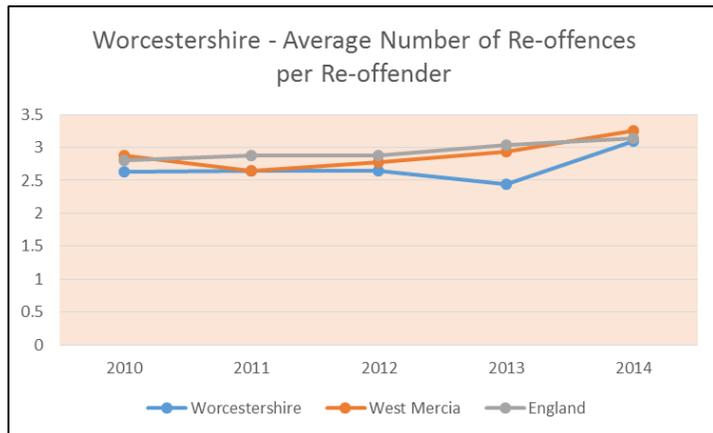
At 510 Worcestershire has the second lowest rate of FTEs across West Mercia, with the highest rate at 641 and lowest at 389. Along with two other West Mercia authority areas, the rate in Worcestershire has increased between 2014 and 2015 from 370 to 510. Further analysis is required to establish the reason for the increased rates

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Worcestershire has, historically, had a low rate of custodial sentences.

There were 10 custodial sentences during 2015/16, equating to a rate of 0.20 custodial sentences per 1000 youth population this represents a reduction in custodial sentences from 2014/15 where there were 11 custodial sentences equating to a rate of 0.22. The 2015/16 rate of 0.20% compares to the West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Worcestershire for the year ending June 2014 is 3.10, compared to the West Mercia performance of 3.25 and national performance of 3.14. Worcestershire has, therefore, slightly better performance than for West Mercia and England.

For the year ending June 2014 the binary measure for Worcestershire is 28.5% compared with a West Mercia performance of 33.4 and a national performance of 37.7%. This represents an improved performance from 2013 when it was 29.4%. It should also be noted that the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 929 offenders in the cohort and 742 re-offences compared to a cohort size of 355 with 313 re-offences in 2014. The number of actual re-offences has therefore decreased by -58% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

Worcestershire's Children and Young People's Plan 2014 – 17 has two linked priorities to the youth justice plan; children and young people have a healthy lifestyle and children and young people are helped at an early stage. In terms of the healthy lifestyle priority, key areas of focus are reducing the harm caused by drugs and alcohol and improving the emotional health including access to mental health support. Within the group of young people receiving YOS interventions in West Mercia, 33% have substance misuse issues and 40% mental and emotional health issues. Under the priority that children and young people are helped at an early stage the main focus is the early help strategy. It is through the early help strategy that those young people who are at risk of entering the youth justice system for the first time are targeted for intervention.

The Worcestershire Community Safety Board's Community Safety Agreement 2015 – 16 has three directly relevant strategic priorities; reducing re-offending, harm reduction which includes safeguarding and alcohol and drug misuse. The YOS will directly contribute to these priorities through work to reduce youth re-offending, ensuring that young people are protected from harm and in the direct delivery of substance misuse interventions to young people in the youth justice system.

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Committee and Date
Council
15 December 2016
10.00am

Item
21
Public

ADOPTION OF THE SHIFNAL NEIGHBOURHOOD PLAN

Responsible Officer George Candler, Director of Place and Enterprise
e-mail: George.candler@shropshire.gov.uk Tel: 01743 258671

1. Summary

- 1.1 The purpose of this report is to inform Council of the results of the referendum on the Shifnal Neighbourhood Plan and for Council to bring the Plan into force by adopting it as part of the statutory development plan under the provisions of the Planning and Compulsory Purchase Act 2004 s38A (as amended). A copy of the Plan has been placed in the members' library and is also available online at: <http://www.shifnalplan.co.uk/wp-content/uploads/2014/12/ShifnalNPJune2016-REFERENDUMVERSION.pdf>

2. Recommendations

That Shropshire Council as the Local Planning Authority 'makes' i.e. adopts the Shifnal Neighbourhood Plan and brings it into force as part of the Development Plan for Shropshire.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The Localism Act and Regulations provide the Framework for the production of Neighbourhood Plans. On 12 October 2014, in response to a formal application from Shifnal Town Council, Shropshire Council designated the town and civil parish of Shifnal for the purpose of preparing a Neighbourhood Development Plan in accordance with Part Two of the Neighbourhood Planning (General) Regulations 2012.
- 3.2 The Neighbourhood Plan was drafted by a steering group with the benefit of extensive community input, culminating in a 6 week pre-submission consultation that ended on 26th February 2016. The Plan was revised following this consultation and submitted to Shropshire Council and then to an external Examiner for evaluation before being put to a local vote, or referendum on 15 September 2016.
- 3.3 Following a 30% turn out, 93% of those voting were in favour of using the Neighbourhood Plan for Shifnal to help Shropshire Council to decide planning applications in the neighbourhood area.

- 3.4 Subject to Council's decision, the Shifnal Neighbourhood Plan will now become part of the statutory planning framework applied in Shropshire. In spite of the collaborative nature of the process to date, the plan will very much be a product of the community and as such will contain policies that, whilst in general conformity, will not have been tested and scrutinised to the same degree as the rest of the Development Plan. The Neighbourhood Plan contains a range of locally produced policies which the community have expressly asked to be brought into play to help guide the decision making process. Statute provides that planning applications should be determined in accordance with the provisions of the Neighbourhood Development Plan policies unless material considerations indicate otherwise. However, the weight attributed to the Neighbourhood Plan must still be balanced with other material considerations when taken into account by decision makers.
- 3.5 However having the Neighbourhood Plan adopted and in place is only part of the story, equally important is seeing these local ambitions materialise on the ground. It is important to note that the Plan provides an excellent platform for continued active engagement and discussion on development and related issues between the Council, the Town Council, the community and the local members.
- 3.6 Shropshire Council has assessed that the plan, including its preparation, does not breach, and would not otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

4. Financial Implications

- 4.1 The Act and Regulations provide that the costs of appointing an Assessor conducting an Examination and holding a Referendum fall to initially Shropshire Council but are reimbursed by national Government. The robustness of the Neighbourhood Plan Policies will be tested over time by independent Planning Inspectors on appeal. Members are advised that the liability for future appeal costs rests with Shropshire Council as Local Planning Authority and as such the usability of the plan and its impact on local decision making will be carefully monitored.

5. Background

- 5.1 The Examiner's Report concluded that the plan met the basic conditions, and that subject to the modifications included in his report published on 1 April 2016, proposed that the plan should proceed to a referendum. Having carefully considered the Examiner's Report and recommendations, the Council agreed that the Examiner's recommended modifications should be accepted and that the amended Neighbourhood Plan should proceed to a referendum.
- 5.2 Paragraph 38A (4)(a) of the Planning and Compulsory Purchase Act 2004 as amended requires that the Council must adopt, or 'make' the neighbourhood plan if more than half of those voting have voted in favour of the plan. In the case of Shifnal, the referendum results indicated that, of the 1660 votes cast,

1545 votes (93%) were in favour of using the Neighbourhood Plan for Shifnal to help it decide planning applications in the neighbourhood area.

- 5.3 In accordance with the Regulations, once adopted, planning applications in the town and civil parish must be considered against the Neighbourhood Plan, as well as existing Local Plan policies in the adopted Core Strategy and SAMDev plans as well as the National Planning Policy Framework.

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

Examiners Report: <http://shropshire.gov.uk/media/2139009/Shifnal-Neighbourhood-Plan-Examiner-s-Report.pdf>

Cabinet Member (Portfolio Holder)

Mal Price, Portfolio Holder Planning, Housing and Commissioning (Central)

Local Members

Kevin Turley

Stuart West

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<p><u>Committee and date</u> Full Council</p> <p>15 December 2016</p> <p>10.00 am</p>	<p><u>Item</u></p> <p style="font-size: 2em; font-weight: bold; text-align: center;">22</p> <p>Public</p>
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Responsible Officer Claire Porter, Returning Officer
 Email: Claire.porter@shropshire.gov.uk Telephone: 01743 252763

REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS 2016

1.0 Summary

- 1.1 This report details the findings of a review of Polling Districts, Polling Places and Polling Stations in the Parliamentary Constituencies in accordance with the Representation of the People Act 1983 (as amended by the Electoral Administration Act 2006).

- 1.2 The main purpose of this review in respect of specific polling stations, is to ensure electors have reasonable facilities for voting and that polling stations are accessible to electors who are disabled. The guidelines also state that every parish should be in its own polling district and that every polling place should, where possible, be in its own polling district.

2.0 Recommendations

- 2.1 That Council approves the following changes which have been agreed with Division Members, in order for them to be implemented on or by 1 January 2017. That delegated powers be given to the Returning Officer to find a suitable alternative, in conjunction with local members, should any polling station not be available for a particular election.

DIVISION	PROPOSED CHANGES
SIA Copthorne Division (Part of)	It is recommended Woodfield County Infants School be replaced by Copthorne Army Reserve Centre.
SPB Porthill Division (Part of)	It is recommended Woodfield County Infants School be replaced by Copthorne Army Reserve Centre.
SOB Monkmoor Division (Part of)	It is recommended Crowmoor Primary School be replaced by Shrewsbury Baptist Church Community Hall.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The Council is obliged to conduct a review of polling districts, polling places and polling stations on a regular basis as are required to keep the electoral arrangements within its area up to date.
- 3.2 There is no anticipated environmental impact associated with the recommendations in the report.
- 3.3 The recommendation is not at variance with the Human Rights Act 1998 and is unlikely to result in any adverse Human Rights Act implications. The recommendations are in line with relevant legal procedures prescribed by the Act and with guidance issued by the Home Office.
- 3.4 Any amendments to the current polling districts, polling places and polling stations will take into account the provisions of the Equalities Act, Representation of People Act 1983 (as amended by the Electoral Administration Act 2006), and the Local Government and Public Involvement in Health Act 2007.
- 3.5 The Council must seek to ensure that all electors in a constituency in the local authority area have such reasonable facilities for voting as are practicable in the circumstances.
- 3.6 The Council must seek to ensure that so far as is reasonable and practicable every polling place for which it is responsible is accessible to electors who are disabled.

4. Financial Implications

- 4.1 Appendix 1 gives increased costs where they have occurred based on the hire charges applied for the EU Referendum held last June 2016. There will be a total increase of £470 per Parliamentary and Unitary election if all of the proposals are accepted.

5. Background

- 5.1 All polling stations were inspected during the Police and Crime Commissioner Election in May 2016 and the EU Referendum in June 2016. Following these inspections it became necessary to review a number of venues.
- 5.2 Existing polling arrangements were assessed and the views of interested groups and individuals were invited. These included Parliamentary Member for Shrewsbury and Atcham, Members of the Council, Shrewsbury Town Council and organisations who cater for the specific needs of people with different disabilities.

- 5.3 It is planned that any changes resulting from the review would be implemented on or by 1 January 2017 in advance of the Unitary, Town and Parish Election on 4 May 2017.

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

Section 18C(1) of the Representation of the People Act 1983.

Section 16 of the Electoral Administration Act 2006.

Electoral Commission Guidance on Review of Polling Districts and Places

Cabinet Member

Councillor Michael Wood

Local Members

Councillor Pam Moseley

Councillor Peter Nutting

Councillor Anne Chebsey

Appendices

Appendix 1 – Schedule of Proposals

SHREWSBURY AND ATCHAM CONSTITUENCY**COPTHORNE****Existing Arrangements**

Polling District	Polling Place	Polling Station	Electors	No. of Stations in Venue
SIA	Copthorne	Woodfield County Infants School	937	2

Returning Officer's Proposals

Comments had been received from the Headteacher, parents and division Member raising concerns over the closure of the school, and requesting that alternative venues be considered.

Officers considered the concerns raised and identified alternative venues. It should be noted that the current polling station, and the proposed polling station are outside the division boundary as there are no viable venues within the division at the present time. Following site visits to each venue, Copthorne Army Reserve Centre has been identified as a suitable alternative.

The proposals would incur additional venue hire charges of £350. There would be no increase to staff costs.

Following consultation with the Division Members, and no adverse comments being received from Daniel Kawczynski MP, Shrewsbury Town Council, and Shrewsbury Access Group, it is concluded that the proposal would be acceptable.

RECOMMENDATION:

It is recommended that Copthorne Army Reserve Centre replace Woodfield County Infants School as the polling station for SIA Copthorne (Part Of).

PORTHILL**Existing Arrangements**

Polling District	Polling Place	Polling Station	Electors	No. of Stations in Venue
SPB	Porthill	Woodfield County Infants School	1934	2

Returning Officer's Proposals

Comments had been received from the Headteacher, parents and division members raising concerns over the closure of the school, and requesting that alternative venues be considered.

Officers considered the concerns raised and identified alternative venues within the division boundary. Following site visits to each venue, Copthorne Army Reserve Centre has been identified as a suitable alternative.

The proposals would incur additional venue hire charges of £350. There would be no increase to staff costs.

Following consultation with the Division Members, and no adverse comments being received from Daniel Kawczynski MP, Shrewsbury Town Council, and Shrewsbury Access Group, it is concluded that the proposal would be acceptable.

RECOMMENDATION:

It is recommended that Copthorne Army Reserve Centre replace Woodfield County Infants School as the polling station for SPB Porthill (Part Of).

MONKMOOR

Existing Arrangements

Polling District	Polling Place	Polling Station	Electors	No. of Stations in Venue
SOB	Monkmoor	Crowmoor Primary School	1799	2

Returning Officer's Proposals

Comments had been received from the Polling Station Inspector and Presiding Officers advising there had been access issues during the Police and Crime Commissioner Election in May 2016, and the EU Referendum in June 2016. Unlike previous years, the school remained open on polling day which had caused issues for electors accessing the car park. This was due to security barriers being in place and only disabled voters being able to access the parking provision. Concern had also been raised over unauthorised access to the polling station by school staff in order to access other parts of the building.

Officers considered the concerns raised and identified an alternative venue within the division boundary. Following a site visit, Shrewsbury Baptist Church Community Hall has been identified as a suitable alternative.

The proposals would incur additional venue hire charges of £120. There would be no increase to staff costs.

Following consultation with the Division Member, and no adverse comments being received from Daniel Kawczynski MP, Shrewsbury Town Council, and Shrewsbury Access Group, it is concluded that the proposal would be acceptable.

RECOMMENDED:

It is recommended that Shrewsbury Baptist Church Community Hall replace Crowmoor Primary School as the polling station for SOB Monkmoor division (part of).

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MEMBERS' QUESTIONS

AGENDA ITEM 25

QUESTION 1

MR DUNCAN KERR will ask the following question:

I note that the Clerk to Worthen with Shelve Parish Council has sent you an open letter complaining that Shropshire Unitary Council's short sighted financial planning has left you unable or unwilling to provide the services needed by residents of Shropshire. Fortunately she suggests a solution and urges you to conduct a referendum on increasing council tax above the capping limit. Will you be heeding this advice?

MR MALCOLM PATE, the Leader will reply:

A response was sent to the Clerk of Worthen with Shelve Parish Council on 3 November 2016 and this is copied below for your information and provides, I believe a complete and succinct response to the important questions that were raised.

"Dear Ms Crossland,

Thank you for the open letter dated 25 October, which sets out some of the options for tackling the financial circumstances we find ourselves in. I am very pleased that Worthen with Shelve Parish Council are engaging with this process and, as you know, I am always willing to meet and discuss concerns that you may have along with Cabinet Member, Councillor Cecilia Motley.

As you describe, we are asking Town and Parish Councils to assist us by taking on or funding some specific local services. This devolution is happening on a national basis and many Town and Parish Councils, including Town and Parish Councils in Shropshire, are seeing this as an opportunity to take control and deliver better public services in their communities. I would be very interested to understand more about the perspective of Worthen with Shelve Parish Council in this regard.

I note your request that Shropshire Council considers a referendum in order to raise additional Council Tax across the County as an alternative to working in partnership with Town and Parish Councils. However, my Members believe that this would be a very high risk strategy. The cost of a referendum has been estimated to be over £700,000, with no guarantee of the outcome and with the potential therefore that the problem persists having spent considerable time and money. My Members have great faith in the ability of the Town and Parish Councils and believe that a referendum would also undermine the opportunity

to strengthen their role and further improve their offer and accountability within our communities.

I hope that this addresses your very valid request and I look forward to further discussion on how we can together go forward in the best interests of communities served by Worthen with Shelve Parish Council.”

In addition I would ask Members to consider the Financial Strategy Report which is before Council today and sets out our approach to managing a period of unprecedented uncertainty in Local Government finances.

QUESTION 2

MR DUNCAN KERR will ask the following question:

A constituent of mine recently contacted me as the Council had taken over 8 weeks to process a change of circumstances in relation to his benefit. In a comment to the Oswestry Advertiser a Council spokesperson stated that they had a backlog of some three weeks. This has resulted not only in distress, but also in financial loss for the Council in issuing, then cancelling, summonses. What was the cause of these problems? What has been learnt from investigating them? And, what system changes have been made as a result?”

MR MALCOLM PRICE, Portfolio Holder for Planning, Housing, Regulatory Services and Environment will reply:

We were working about four weeks behind at the beginning of September 2016. We are currently less than two weeks behind with dealing with correspondence.

Council Tax Support and Housing benefit are means tested and we require a variety of supporting documentation to verify the claim before making the assessment. Sometimes we can be waiting for documentation to be supplied from third parties such as DWP.

Ensuring we have all of the appropriate information can sometimes lead to delays in claims being assessed.

Timescales and workloads can vary throughout the year. We do try to keep claimants up to date, and give them an idea of when they are likely to hear from us about their claim.

QUESTION 3

MR MILES KENNY will ask the following question:

One of the great benefits to Shropshire businesses is the terrific countryside of stunning landscapes, rural tranquillity and rich biodiversity which brings in visitors who enjoy the countryside and spend money. Many choose to live here, even locate their businesses here because of the countryside.

It is therefore with some dismay the local Shrewsbury MP wants to see a road driven through some of the most environmentally sensitive land near Shrewsbury, rich in biodiversity and of ecological significance. This proposed new road, the so called North West Relief Road runs parallel to and overlooks a SSI and is right next to a RAMSAR site.

The local MP has obtained a grant close to £1m to try to prove the case for businesses for the road.

- i. How involved was Shropshire Council in obtaining the grant?
- ii. Can you ensure that businesses involved in making the case for businesses include businesses involved in the countryside and tourism?
- iii. Most importantly will you see that a thorough ecological survey is carried out along the entire route of the proposed North West Relief Road?

MR SIMON JONES, Portfolio Holder for Highways and Transportation will reply:

i. How involved was Shropshire Council in obtaining the grant?

To provide some brief context, the Shrewsbury North West Relief Road (NWRR) has been a strategic proposal for many years. There have been numerous evaluation exercises and consultations around the proposal throughout its lifetime, although none of these to date have proceeded to a full bid for construction costs.

The NWRR sits within the Councils listed long term strategic pipeline schemes, but with the evidence base being in need of further development work. Shropshire Council submitted earlier this year, a bid for funding under the Department for Transport's Local Major Fund (LMF). This application was submitted via, and supported by, the Marches Local Enterprise Partnership. Allocations under the bidding round were allocated on a competitive basis by DfT. It is understood that Shropshire Council's bid was one of just 6 successful bids from a total of approximately 60 submitted.

Shropshire Council was successful in being awarded £942,875 of external revenue funding under the LMF. This is matched with £49,625 of local funding

This round of the LMF gives the opportunity to access external DfT revenue funding within the 2017/18 financial year. The bid requested funding to refresh historic evidence held concerning the NWRR, with a view to examining the

current potential to re-establish a business case for the NWRR. A refreshed business case will allow Shropshire Council to put the concept of a NWRR into a present day setting, where such initiatives as the Shrewsbury Integrated Transport Package and the Oxon Link Road are also programmed for delivery over the next 5 years.

It is to note that, there are currently no guaranteed national funding opportunities to which an emergent positive business case could lead to an application for future construction costs. The Council will however, over the next year as the business case is examined, continue to liaise closely with DfT and also the Midlands Connect initiative in order to ensure that the outcome of the business case refresh is ensured as high as possible profile in any future national construction funding rounds.

ii. Can you ensure that businesses involved in making the case for businesses include businesses involved in the countryside and tourism?

To clarify the approach to an Outline Business Case ; In its simplest form it is an independently scrutinised estimation of the costs and impacts involved in delivering the road (design, consultation and build), and offering these costs up against the benefits that would potentially result from the roads opening. There are accepted DfT methods and models that can be used to estimate a “cash value” to benefits such as reduced congestion, air quality, improvements in journey times for cars and freight movements, as well as the benefits in road safety that may result to both pedestrians and cyclists. The wider economic benefits can also be assessed in terms of the amount of potential development land that may be unlocked (both for residential and employment opportunities).

An assessment can then be made as to the viability / benefits that would accrue from such a new road by comparing these two figures.

The business case refresh will also need to acknowledge the wider benefits that may accrue to those travelling into England cross border from Wales, and also strategic issues such as freight movements to and from the North West Ports etc. The concluding report around all of these issues will be the Outline Business Case for investment. Therefore Shropshire Council will as part of the early stages of the refresh, engage (already now underway) with landowners and affected parties, associated businesses and other key stakeholders such as those in countryside and tourism.

iii. Most importantly will you see that a thorough ecological survey is carried out along the entire route of the proposed North West Relief Road?”

To confirm; should the Outline Business Case be considered for further work pending submission for construction costs, that a thorough and comprehensive ecological and environmental study and assessments would be fully observed as a matter of course.

QUESTION 4

MR MILES KENNY will ask the following question:

The supply of new affordable houses for rent is not keeping pace with demand for those eligible for social housing. Last year only 166 affordable for rent new houses were built of which around only 120 or so were available for younger people to rent.

- i. Excluding priority applicants what chance has a young couple on a low income in getting an affordable rent home to rent?
- ii. Including priority applicants what is the probability of any new applicant renting an affordable rent home?
- iii. Central Government on the side of developers has removed part of the obligation to provide affordable housing on all developments, including the obligation to provide dwellings available for affordable rents which has contributed to increasing the gap between the numbers of affordable homes for rent and open market housing. Shropshire Council have land which they are disposing of, should we not be making it a condition that such land held in public ownership is available only for providing homes at affordable rents?

MR MALCOLM PRICE, the Portfolio Holder for Planning, Housing, Regulatory Services and Environment will reply:

- i. *Excluding priority applicants what chance has a young couple on a low income in getting an affordable rent home to rent?*

The Housing Register currently has 5,305 applications of which 720 are aged under 25 in the following housing need assessment bands:

Priority 18
Gold 51
Silver 367
Bronze 284

In 2015/16 of the 1,696 property allocations, 267 were allocated to young people in the following bands:

Priority 38
Gold 66
Silver 119
Bronze 44

- ii. *Including priority applicants what is the probability of any new applicant renting an affordable rent home?*

In 2015/16 the overall mean average waiting time for allocations was 13 months. For under 25's it was a mean average of 8 months. The 1,696 properties were allocated to the following housing needs assessment bands:

Priority 207
Gold 439
Silver 661
Bronze 389

- iii. *Central Government on the side of developers has removed part of the obligation to provide affordable housing on all developments, including the obligation to provide dwellings available for affordable rents which has contributed to increasing the gap between the numbers of affordable homes for rent and open market housing. Shropshire Council have land which they are disposing of, should we not be making it a condition that such land held in public ownership is available only for providing homes at affordable rents?*

The Council will always consider the future use of any land it declares surplus to requirements. This consideration includes the assessment of the best outcome for the Council and will take into account the particular circumstances of a potential disposal on a case by case basis. The Property Strategy and Review Team are continuously reviewing the Council's Estate to identify opportunities for future development which includes the provision of affordable housing within the county. The assessment of need and consideration for housing development is also covered in the disposals protocol whereby senior officers are requested to comment on any disposal proposals. It would not be appropriate to have a blanket approach to make all surplus land available for affordable housing as this would not be realistic in terms of a number of variables including previous use, location and planning considerations. The Council is also bound to achieve best value in the disposal of its assets and the use of capital receipts underpins its corporate capital priorities.

QUESTION 5

MR TIM BARKER will ask the following question:

Can the Portfolio Holder for Adult Services please advise Council as to our cost and delivery performance as shown in the National Performance and Cost Tables as compared with other authorities?

MR LEE CHAPMAN the Portfolio Holder for Adult Services will reply:

Shropshire Council continues to compare favourably with other local authorities for the performance of our Adult Social Care services and in relation to the cost of care.

The Adult Social Care Outcomes Framework is a set of measures that take account of all aspects relating to Adult Social Care including feedback from people who use services.

Shropshire Council's results for 2015/16 were better than the West Midlands average for 64% of the measures and better than the England average for 68% of the measures. Comparison with the family group of unitary council averages has been possible on 13 of the 22 ASCOF measures and the Council was better on 6 of these measures (46%).

For example, more people in Shropshire felt that they had control over their daily life than the average for England and the West Midlands and correspondingly a greater proportion of people who use services in Shropshire receive self-directed support and choose how their needs are met, compared to the West Midlands, England and family group averages.

There are also a greater proportion of people with a learning disability in paid employment and living in their own home or with their family in Shropshire compared to the averages for the West Midlands, England and the family group. However, delayed transfers of care overall and attributable to Adult Social Care were not as good as the comparative averages and this is a significant continued area of focus for the Council and Health partners.

In terms of cost, the three main areas of expenditure relate to long term care provided in Nursing Homes, Residential Homes or through Domiciliary Care.

Shropshire's average cost per week for Nursing Care in 2015/16 was £484. For the same period the West Midlands average was £559, and the All England Average it was £596. The average for the family group councils was £614. Our figures for Shropshire set out the gross cost of what the Council pays and does not include the Free Nursing Care contribution which is funded directly to the care homes by Health.

For Residential Care Shropshire's average cost per week was £695. This compares well to the West Midlands average of £708, the England Average of £716, and family group average of £727. In fact, despite the favourable comparison, Shropshire's average cost per week is increased due to some very high cost residential care for people with learning disability.

Our average cost for Domiciliary Care commissioned from providers was £16.03 per hour which was more than the West Midlands average of £13.82, the England average of £14.28 and the family group average of £15.26. Not all figures will be like for like. The rate for Shropshire is inclusive of mileage and enhancements for weekends, bank holidays and a specialist element of reablement. During the last quarter of 2015/16 Shropshire Council introduced brokerage for Domiciliary Care packages. It is expected that this system will help stimulate the market and enable providers to identify opportunities to deliver more efficient working and therefore enable a more competitive market.

QUESTION 6

MR DAVID TURNER will ask the following question:

Would the Leader tell me what has been done to give the Authority a clear forward direction?

MR MALCOLM PATE, the Leader of the Council will reply:

Thank you for your question.

I was appointed as Leader of the Council almost one year ago and from the outset I have ensured that the Cabinet operates more corporately, making decisions together rather than individually thus improving decision making and engendering a broader understanding of the issues and opportunities across portfolios. Working with the Cabinet and my wider group, we have then achieved three deliberate and fundamental changes in direction:

1) We have reviewed the financial strategy and recast this to be both realistic and prudent. The Financial Strategy now reflects that we need time to plan for significant self-generated income. It has also been a 'living document' with regular updates brought to Cabinet over the last 12 months as opposed to the previous approach where the strategy was presented in December just prior to it being consulted upon.

2) We have developed a corporate plan which sets out our ambition and how the Council will achieve this. This is not a 'motherhood and apple pie' document. All members, staff and the wider general public have had the opportunity to feedback and contribute. Scrutiny has reviewed the plan and have made helpful suggestions which have strengthened the plan. Strategic Action Plans have also been produced to ensure that the key outcomes will be delivered.

3) We have developed a new performance management framework to monitor the progress of the Corporate Plan and the Strategic Action Plans.

Actions And Culture To Deliver Strategy

There have been many more subordinate actions to support and deliver the above three key strategies. For example, actions that will reinvigorate the Council to take pride in our staff and what we do together with our communities. We are an excellent Council by almost any comparison of cost and quality and it is time to remind ourselves of this. The resilience of our staff and the savings we have made in the face of austerity are extraordinary. I have been clear that our staff are our greatest asset and resource, and we should encourage, respect and work with them in full cooperation. I have made clear that officers bring their skills, expertise and training to our work and make recommendations and elected members set the policy direction and make decisions for officers to deliver. An environment of trust and respect will lead to commitment and this in turn is crucial to continued excellent performance in difficult times. As Conservatives we are in power and have formed the Administration, but I have also been clear that we are open to members of other parties to make suggestions and constructive criticism which we will work together wherever we can and act on suggestions as appropriate. In short we have set a culture of operating that is respectful, transparent and collaborative whilst being decisive and ambitious.

Income Generation

In the future we will need to generate significant income as government funding diminishes. We have invested in our staff structures to create capacity and accountability to ensure that we generate more income as well as new income going forward. We are looking at how existing income streams can be

maximised whilst being fair in what we charge to individuals and communities. Our staff across all services are business planning how they will achieve additional income. The level of innovation is incredible with, for example, outdoor recreation staff planning to deliver their services at no cost to the Council and our Community Enablement Team drawing in income by offering their skills, knowledge and expertise to others. Our health promotion service, Help2Change has been commissioned by West Mercia Police to provide a health screening service for its employees. This entrepreneurial approach is happening in services across the Council and our staff are becoming enthused and motivated by it. In my first few weeks as Leader we contracted to fit solar panels on the Shirehall which are now generating an average of £20,000 income per year and will pay back our investment in 11 years, after which all the income will be profit.

We are looking for investment opportunities and using our borrowing power where a substantial return can be realised and risk appropriately managed. It is important to use this potential wisely as this is where we can begin to close the income and expenditure gap over the next three years. Whilst we have diminishing government income, the potential for investment with a commercial return is a great opportunity. The Council can create and play a much greater part in growth needed to make our County sustainable alongside and in partnership with the private sector. Councillor Michael Wood is leading on commercial opportunities wider than the Council's services with each portfolio holder playing their part in developing these new income streams. For example, we are looking at our role in developing the housing that communities need and how we can create multiple income streams by doing so. We will look at how our key town centres can continue and increase their potential as important economic hubs and essential features of our lifestyle as well as provide both increased and new income to the Council. I must stress however, that this is an approach of looking for a secure return on investment of at least 10% or more and is not an opportunity to fund risky projects or projects that will require future revenue. The recent procurement of a partner for a Shropshire Energy Company is a fantastic example of what can be achieved and I congratulate all involved in that particular initiative.

Economic Development

In Shropshire we enjoy a strong and diverse economy and we intend to build on this. We will work to strengthen our existing core businesses in agriculture, food and drink production and also continue to establish and grow small and medium enterprises, which in Shropshire continue to proliferate at twice the national rate. However, we are now ambitious for new and appropriate growth in larger businesses which will create jobs, retain and attract young people and make our County sustainable. The University Centre Shropshire will be a key contributor to this. We are again investing in our staff structure to drive all of this forward and I am pleased that Gemma Davies will join us as Head of Economic Development in the new year. She is joining at a good time when we have turned around our relationships and fortunes with the Marches LEP, we are part of arguably the most successful forerunner of combined authorities in the West Midlands Combined Authority, looking at other partnerships in the North around HS2, we are reviewing our Planning Framework (SAMDEV) and

increasing our ambition for growth and prosperity alongside our business colleagues on Shropshire Business Board. This ambition is captured in our new Economic Strategy which will be available in its first iteration in the new year. All this marks a sea change in taking responsibility for our destiny into our own hands

Vulnerable People

The key purpose of the Council is to protect vulnerable people and, despite financial challenges we have continued to make this our priority. Our corporate plan makes it clear that children are our top priority, closely followed by vulnerable adults and we have protected these budgets. Our Adults and Children's services continue to be exemplars.

Transformation delivered

Whilst we run some of the most efficient services across everything we do, there is always scope to improve process. So far we have delivered savings in services and we have learned that the best outcomes are achieved where we change process, not just reduce staff. Going forward we will refocus on improving process and not just making cuts. We recognise that investment is required to deliver process efficiencies. The greatest example of this is our investment in IT which will enable the Council to embrace the digital age, automate process where possible, improve reliability of data and allow the internet based self serve which people want. We recognise however, that some people require face to face contact and, although demand for this is reducing as people channel switch to on line, we will continue to provide it for those who need it.

I made it clear in my first week of office that we will be staying in the Shirehall. We will be investing to improve the quality and experience of our key building.

Plans are in place to reduce our footprint of buildings around the County and enable our staff to work in a modern agile way. We are working across all public sector partners, exporting the LGA 'One Public Estate' programme from which we have received £130,000 and which has the potential to join up and revolutionise how we work, share buildings and reduce overheads whilst providing the quality of infrastructure our communities deserve. All of our local public sector partners and voluntary and community sector partners are involved. The most recent example of this involves Shrewsbury Town Council who have their new office base at Shrewsbury Library.

Partnerships

We recognise that the Council cannot achieve all that we aim for alone and we have become much more open to partnership working. The evidence of this ranges from how we are working to devolve services to Town and Parish Councils, improved relationships with the Marches LEP, improved relationships with Telford and Wrekin Council, our ongoing dialogue and joint working with the Voluntary and Community sector and improved working with our NHS partners. Partnership working is not always an easy route but we have made it clear that it is our intention to work with others. The feedback I am receiving is

very positive and our renewed enthusiasm for partnership and cooperation is appreciated.

Influence and Networking

Over the last year I have been keen to rebuild our influence as a principle authority within local government. We have re-engaged with regional partners, with the County Council Network and with the LGA. Clear evidence of this is that James Walton, our S.151 Officer, is part of a national group looking at the future funding of local government. By being part of a network we understand and learn from others facing similar challenges and also have the opportunity to unite and lobby as appropriate to make our point clear to government.

I was very pleased to secure a visit from Greg Clark earlier this year, the then Minister for Communities and Local Government, to Shropshire. I have also met with Ministers in London to promote economic growth and funding into the county and corresponded directly with them on matters impacting upon Shropshire. I was lobbying on the unfairness of adult social care from my first day in office and I am pleased that this has now become a national campaign which has united all local authorities, the NHS and other bodies of influence.

Cecilia Motley continues to perform an excellent job as the Chair of the Rural Services Network, making the case for rural areas. Shropshire Council's public health staff are playing a leading role nationally, working with Public Health England to highlight rural health inequalities as these are not fully recognised at present. I was also very pleased to meet ~~its~~ Cecilia and councillor Heather Kidd recently so that we could share information that Heather might use in her capacity as a member of the People and Places Board.

Summary

I am very grateful for this question and I hope this answer explains how we are working at the strategic level as well as giving just a few examples of what it means on the ground.

I am very heartened to hear our officers say in open forum, that despite the challenges getting ever tougher, they are more confident than ever that we are planning a way through.

I am grateful to the Cabinet and my members for supporting and initiating responsible levels of ambition backed up by realistic, deliverable plans.

I hope that Council will approve the annual budget in February, and appreciate that this is just part of a carefully considered three year strategy driven by our developing Corporate Plan. I will now set our horizons further ahead and, with my Cabinet colleagues, begin to plan our future for a timescale of 10 - 20 years ahead.

