



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND  
Date: 12 July 2017

**Committee: COUNCIL**

**Date: Thursday, 20 July 2017**

**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)	Simon Harris	Kevin Pardy
Peter Nutting (Leader)	Nigel Hartin	William Parr
Vince Hunt (Speaker)	Nick Hignett	Vivienne Parry
Steve Charmley (Dep Leader)	Richard Huffer	Tony Parsons
Peter Adams	Tracey Huffer	Malcolm Pate
Roy Aldcroft	Roger Hughes	Alexander Phillips
Clare Aspinall	Ioan Jones	Lezley Picton
Nicholas Bardsley	Simon Jones	Ed Potter
Joyce Barrow	Mark Jones	John Price
Thomas Biggins	Jonny Keeley	Keith Roberts
Andy Boddington	Heather Kidd	Madge Shingleton
Gwilym Butler	Nic Laurens	Harry Taylor
Karen Calder	Christian Lea	Robert Tindall
Dean Carroll	Matt Lee	Dave Tremellen
Lee Chapman	Elliott Lynch	Kevin Turley
Ted Clarke	Robert Macey	David Turner
Gerald Dakin	Jane MacKenzie	David Vasmer
Steve Davenport	Chris Mellings	Stuart West
Julian Dean	Paul Milner	Claire Wild
Pauline Dee	David Minnery	Brian Williams
David Evans	Dan Morris	Leslie Winwood
Roger Evans	Pamela Moseley	Michael Wood
Hannah Fraser	Alan Mosley	Tina Woodward
Rob Gittins	Cecilia Motley	Paul Wynn
Nat Green	Peggy Mullock	

Your Committee Officers are:

**Karen Nixon** Committee Officer and **Jane Palmer** Senior Committee Officer

Tel: 01743 257720 or 01743 257712

Email: [karen.nixon@shropshire.gov.uk](mailto: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 - 6)**

To approve as a correct record the minutes of the previous meetings held on 22 June 2017 at 10.00 am and 12.00 noon.

## **4 ANNOUNCEMENTS**

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

## **5 PUBLIC QUESTIONS**

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

## **6 FINANCIAL RULES UPDATE (Pages 7 - 96)**

Report of the Head of Finance, Governance and Assurance will follow marked 6.

Contact James Walton Tel 01743 255011.

## **7 FINANCIAL OUTTURN 2016/17 (REVISED) (Pages 97 - 144)**

Report of the Head of Finance, Governance and Assurance will follow marked 7.

Contact James Walton Tel 01743 255011.

## **8 ANNUAL ASSURANCE REPORT OF AUDIT COMMITTEE 2016/17 (Pages 145 - 162)**

Report of the Head of Finance, Governance and Assurance will follow marked 8.

Contact James Walton Tel 01743 255011.

## **9 REPORT FROM THE POLITICAL STRUCTURES MONITORING GROUP - OVERVIEW AND SCRUTINY RESTRUCTURE 2017 (Pages 163 - 192)**

Report of the Political Structure Monitoring Group is attached marked 9.

Contact Head of Legal and Democratic Services Tel 01743 252763.

## **10 APPOINTMENTS TO COMMITTEES**

To confirm the following changes of membership:

### Strategic Licencing Committee

The appointment of Mr S Harris to replace Mr S West as full Member.

### North Planning Committee

The appointment of Mr M Jones to replace Mr S P Jones as full Member.

### Performance Management Scrutiny Committee

The appointment of Mr L Winwood to replace Mr S West as full Member.

### Children and Young Peoples Scrutiny Committee

The appointment of Mrs C Motley to replace Mrs C Aspinall as full Member.

### Enterprise and Growth Scrutiny Committee

The appointment of Mr P Milner to replace Mr E Lynch as a full Member

The appointment of Mrs C Aspinall to replace Mr P Milner as Substitute member.

### West Mercia Police & Crime Panel

The appointment of Mr G Butler to replace Mr K Roberts as substitute Member.

The appointment of Mr W Parr as Substitute member.

## **11 MOTIONS (Pages 193 - 246)**

The following motion has been received from Councillor Nigel Hartin in accordance with Procedure Rule 16 as follows;

‘This Council resolves to hold a special Council meeting before the 11<sup>th</sup> September to consider its response to the proposal from the West Mercia Police & Crime Commissioner to take over the running of Shropshire & Wrekin & Hereford & Worcestershire Fire Authorities.

At that meeting it will consider the case put forward by the PCC and Shropshire & Wrekin CFA consultants response to the PCC proposal as well as recommendations from the relevant Council Scrutiny committee, which will itself hold a special meeting to consider the issue in August, in order to feed its recommendations into the special Council meeting.’

A background report from the Chief Executive is attached.

**12 REPORT OF THE SHROPSHIRE AND WREKIN FIRE AND RESCUE AUTHORITY**  
(Pages 247 - 252)

To receive the report of the Shropshire and Wrekin Fire and Rescue Authority arising from its meeting held 14 June 2017.

Report attached marked 12.

**13 MEMBER QUESTIONS** (Pages 253 - 254)

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

**14 EXCLUSION OF THE PRESS AND PUBLIC**

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

**15 EXEMPT MINUTES**

To approve as a correct record the exempt minutes of the meeting held on 22 June 2017 at 10.00am which will follow.

Contact Jane Palmer Tel 01743 257712.



## Committee and Date

Council

20 July 2017

## COUNCIL

**Minutes of the meeting held on 22 June 2017 in the Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

**10.00 am - 10.40 am**

**Responsible Officer:** Jane Palmer

Email: jane.palmer@shropshire.gov.uk Tel: 01743 257712

### **Present**

Councillors Peter Nutting (Leader) and Ann Hartley (Chairman)  
Councillors Peter Adams, Roy Aldcroft, Clare Aspinall, Nicholas Bardsley, Joyce Barrow, Thomas Biggins, Gwilym Butler, Karen Calder, Dean Carroll, Lee Chapman, Steve Charmley, Ted Clarke, Gerald Dakin, Julian Dean, Pauline Dee, Roger Evans, Hannah Fraser, Nat Green, Simon Harris, Nigel Hartin, Nick Hignett, Ioan Jones, Simon Jones, Mark Jones, Jonny Keeley, Nic Laurens, Christian Lea, Elliott Lynch, Chris Mellings, Paul Milner, David Minnery, Dan Morris, Pamela Moseley, Alan Mosley, Peggy Mullock, Kevin Pardy, William Parr, Vivienne Parry, Tony Parsons, Malcolm Pate, Alexander Phillips, Lezley Picton, Ed Potter, John Price, Keith Roberts, Madge Shingleton, Harry Taylor, David Turner, David Vasmer, Stuart West, Leslie Winwood, Michael Wood and Paul Wynn

## **18 Apologies for Absence**

Apologies for absence were received from Councillors Gwilym Butler, Steve Davenport, David Evans, Richard Huffer, Tracey Huffer, Roger Hughes, Heather Kidd, Matt Lee, Robert Macey, Cecilia Motley, Robert Tindall, Dave Tremellen, Kevin Turley and Claire Wild.

## **19 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.

## **20 Minutes**

**RESOLVED:** That the Minutes of the meeting held on 18 May 2017, as circulated with the agenda papers, be approved and signed as a correct record.

## 21 **Announcements**

### 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 18 May 2017, which had been circulated at the meeting.

## 22 **Public Questions**

### Public Questions

The Speaker advised that 3 public questions had been received in accordance with Procedure rule 15 (a copy of the report containing each question and the formal responses was circulated at the meeting and a copy is attached to the signed minutes).

- i) Received from Mr S Mulloy in respect of amending the Council's 'Counter Fraud, Bribery and Anti-Corruption Policy Statement' to clarify a zero tolerance to all fraud.

By way of a supplementary question Mr Mulloy asked the Leader why he had not declared his interest in the Bowbrook allotment community; the Leader apologised for the oversight and stated that he would make the necessary amendment to his declaration of interests.

- ii) Received from Mr J Smithers in respect of public transport, particularly bus services, in Ludlow.

By way of a supplementary question Mr Smithers asked whether cheaper alternatives had been investigated for rural bus services. The Leader stated that a full written response would be provided to Mr Smithers on this issue.

- iii) Received from Mr D Kerr in respect of the Council's commitments within its Corporate Equality Objectives Action Plan 2016/2020 and the leaflet circulated by Councillor Paul Milner as part of his recent election campaign.

By way of a supplementary question, Mr Kerr queried the response that had been provided by the Leader. The Leader stated that he already fully answered the question with his initial response and did not intend to comment further.

## 23 **Questions from Members**

The Speaker advised that the following Member question had been received in accordance with Procedure Rule 15 (a copy of the report containing the detailed question and the formal response is attached to the signed minutes).

- (i) Received from Mr R Evans [on behalf of Mr A Boddington] and answered by Mr D Minnery, Portfolio Holder for Finance regarding the distribution of its allocation for 2017/18 under the discretionary business rates relief scheme and the criteria for allocation.

By way of a supplementary question, Mr Evans [on behalf of Mr Boddington] asked if small businesses would be compensated if the increase was more than £15 per month. The Portfolio Holder, Mr Minnery, stated that the response to the original question covered this issue. Although sympathetic, there was a limited amount of money available and a statement would be issued by the Council as soon as the position was known.

## **24 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/s.

## **25 Shrewsbury Pitch and Putt Golf Course**

The Council received a confidential report from the Head of Business Enterprise and Commercial Services, a copy of which is attached to the signed Minutes, on the Shrewsbury Pitch and Putt Golf Course.

### **RESOLVED:**

That the confidential report and the recommendations therein be approved.

## **26 The Tannery, Shrewsbury - Student Accommodation**

The Council received a confidential report from the Head of Business Enterprise and Commercial Services, a copy of which is attached to the signed Minutes, on the University Centre, Shrewsbury – Student Accommodation.

### **RESOLVED:**

That the confidential report and the recommendations therein be approved.

Signed

(Chairman)

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Date:

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## **COUNCIL**

**Minutes of the meeting held on 22 June 2017 in the Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

**12.00 noon - 12.25 pm**

**Responsible Officer:** Jane Palmer

Email: jane.palmer@shropshire.gov.uk Tel: 01743 257712

### **Present**

Councillors Peter Nutting (Leader) and Ann Hartley (Chairman)  
Councillors Peter Adams, Roy Aldcroft, Clare Aspinall, Nicholas Bardsley, Joyce Barrow, Thomas Biggins, Karen Calder, Dean Carroll, Lee Chapman, Steve Charmley, Ted Clarke, Gerald Dakin, Julian Dean, Pauline Dee, Roger Evans, Hannah Fraser, Nat Green, Simon Harris, Nigel Hartin, Nick Hignett, Vince Hunt (Speaker), Ioan Jones, Simon Jones, Mark Jones, Jonny Keeley, Nic Laurens, Elliott Lynch, Chris Mellings, Paul Milner, David Minnery, Dan Morris, Pamela Moseley, Alan Mosley, Peggy Mullock, Kevin Pardy, William Parr, Vivienne Parry, Tony Parsons, Malcolm Pate, Alexander Phillips, Lezley Picton, Ed Potter, John Price, Keith Roberts, Madge Shingleton, David Vasmer, Stuart West, Leslie Winwood, Michael Wood and Paul Wynn

## **27 Apologies for Absence**

Apologies for absence were received from Councillors Andy Boddington, Gwilym Butler, Steve Davenport, David Evans, Roger Hughes, Heather Kidd, Christian Lea, Matt Lee, Jane MacKenzie, Cecilia Motley, Harry Taylor, Robert Tindall, Dave Tremellen, Kevin Turley and Claire Wild.

## **28 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.

## **29 Appointment of Honorary Alderman**

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

The Leader stated that it was an honour to propose former Councillor David Lloyd MBE to be conferred with the title of Honorary Alderman of the Council for his eminent service to the Council. Refer to his fairness, open mindedness and his

wonderful personality the Leader then opened the floor to allow others to make their own tributes. In seconding the proposition, the Deputy Leader added that David Lloyd was a most deserving recipient for this accolade.

Tributes were made across the chamber; comments including David Lloyd's great ability, integrity, diplomacy, fairness, consideration for others, stabilising influence, a great statesman, a man who was widely respected across all political groups and, above all, a true gentleman.

In accepting the appointment of Honorary Alderman, David Lloyd thanked the Council for the honour. He commented on his lengthy political career and the milestones along the way and stressed the need for local government to champion itself and endeavour to receive due recognition for its endeavours. He stressed the need to develop a good working relationship with local Parish and Town Councils and concluded that he would continue to be local government's number one fan!

The Chairman of Council presented Mr David Lloyd MBE with a certificate to confer the title of 'Honorary Alderman' upon him.

**RESOLVED:**

- i) That former Councillor David Lloyd MBE be invited to accept the position of Honorary Alderman of Shropshire Council;
- ii) That, in pursuance of Section 249 of the Local Government Act 1972, Mr David Lloyd MBE be admitted as Honorary Alderman of Shropshire Council in recognition of the eminent services which he has rendered to the county; and
- iii) That the common seal of the Council be affixed to a certificate conferring upon Mr David Lloyd MBE the title of 'Honorary Alderman'

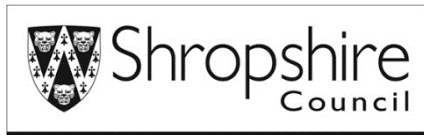
Signed

(Chairman)

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Date:

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Committee and date

Council

20<sup>th</sup> July 2017

## FINANCIAL RULES UPDATE

**Responsible Officer** James Walton

Email: James.walton@shropshire.gov.uk

Tel: 01743 255011

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### 1. Summary

- 1.1 This report proposes refinement of and revisions to the Council's Financial Rules located in Part 4 of the Constitution. The Rules have been reviewed and updated to reflect the Council's change in working practices with voluntary organisations, reflect new electronic means of authorisation and more efficient ways of working and minor changes around systems and roles.

### 2. Recommendations

- 2.1 Members are asked to consider and endorse, with appropriate comment, the proposed adjustments to the current Financial Rules as set out in Appendix A of this report.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 In order to reflect the most efficient and practical methods of managing the Council's finances, it is important that the Financial Rules provide the necessary clarity for their application for both member and officer interactions.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

## 4. Financial Implications

4.1 There are no direct financial implications.

## 5. Background

5.1. The Financial Rules, which are found in Part 4 of the Council's constitution, provide the framework for managing the authority's financial affairs. They apply to every member and officer of the council and anyone acting on behalf of the council. The rules apply equally, where officers are undertaking work in partnership for external organisations.

5.2. The financial rules are periodically reviewed for robustness and appropriateness in our ever-changing work environment. From the outset it was proposed that this iteration of the rules would capture as a minimum changes arising from recent developments in working practices and changes in business relationships. A more far reaching update to the rules will be carried out in order to align policy with the outcomes of Digital Transformation.

5.3. This update involved a two week consultation with staff where staff were invited to comment on the usability and applicability of the rules and to make any suggestions for improvement.

5.4. The feedback from the consultation was encouraging and very valuable in shaping the revised document. The paragraphs that follow discuss the main changes to the document.

5.5. **Principles** – Each of the main rules are now described through a set of principles which aims to guide actions in cases where ambiguity might be found.

5.6. **Asset Register and Land Terrier Guidance** – This update provides more specific instruction around the requirement to maintain an up to date asset register with up to date values in accordance with the Code of Practice on Local Authority Accounting. It also requires the maintenance of a land terrier to add an additional level of robustness to the recording of the Authority's property and lease arrangements.

5.7. **Electronic Payment processes** – Changes to the rules allow the Electronic Procure to Pay system within the authority to process payments for goods where the value of the invoice does not necessarily match the value of the invoice. This is only in cases where the goods have been receipted satisfactorily and the invoice value is lower than the order value.

There are mechanisms in place to follow up on such mismatches in order that root causes can be addressed but by introducing this rule processes become more streamlined at no risk to the authority.

- 5.8. **Requisitions, orders and associated Terms and Conditions** – the update introduces a section which recognises the fact that not all payments can, or need to be supported by official requisitions, orders and associated Terms & Conditions. Exceptions include supplies of public utility services, periodical payments, petty cash, software licenses.
- 5.9. **Debit and Credit Card references** – the update removes the references to using Debit and Credit card for Council purchases as all such purchases must now be done using a Council purchasing card.
- 5.10. **Advance Payments** – The update recognises that in some circumstances it may be appropriate to make payments in advance to certain providers. The key to this update is that any such arrangement must be considered and approved on it's individual merit via the Exemption Request process. This ensures that the necessary control and balance of risk to the authority is upheld.
- 5.11. **External Funding** – This update introduces greater control around entering into external funding arrangements. It requires that all such arrangements are authorised on an individual basis by the S151 officer. This allows for greater control and oversight of the risks that may be entered into via such arrangements.
- 5.12. **Exemption Request Guidelines** – The introduction of a formal route for requesting exemptions to the financial rules recognises the need to provide exemptions in exceptional circumstances and formalises the method for requesting and receiving approval for such exemptions. Or indeed, receiving clear feedback as to why an exemption request is not granted.
- 5.13. The feedback during consultation also highlighted the fact that the rules are not easy to navigate from a search engine perspective. Following approval changes will be made to make them more accessible and in the longer run training modules will be developed to assist staff in understanding the rules.
- 5.14. The Council is part way through a programme of Digital Transformation which will bring about large scale system change which in turn will require organisational change. This will impact on processes and procedures and will mean that a number of the Council's policies will require review and

realignment. The next update to the financial rules will take place as part of the Digital Transformation policy realignment exercise.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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<b>Cabinet Member (Portfolio Holder)</b>
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David Minnery, Finance
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<b>Local Member</b>
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<b>Appendices</b>
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Appendix 1 – Financial Rules
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# SHROPSHIRE COUNCIL

## FINANCIAL RULES

**REVISION DATE:**  
**July 2017**

<b>Summary of Revisions</b>
Introduction of principles for each financial rule.
Streamlining of narrative throughout and removal of repetition.
Updating and applying consistency to role names used throughout
Updates to Asset register and Land Terrier guidance (C3.3, C3.4)
Additional guidance with regard to the payment for electronically procured goods and services (D4.15)
Exemptions to the requirements for official orders, requisitions and T&Cs requirements (D4.7)
Removal of references to Debit and Credit Card Uses for Council purchasing (D.4.8)
Further clarity regarding advance payments (D4.18, D4.26)
Additional external funding sign off arrangements (E2)
Introduction of Exemption Request Guidelines (Appendix H)

## Part 4 – Financial Rules

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ACKNOWLEDGEMENTS This document is based on the CIPFA document 'Financial Regulations. A Good Practice Guide for an English Modern Council.

## **1. INTRODUCTION Financial Rules**

- 1.1. To conduct its business efficiently, a local council needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. This demonstrates to the public that proper safeguards and controls exist in relation to managing public money and assets. These Financial Rules including appendices provide the governance framework for managing the Council's financial affairs.
- 1.2. There are five areas covered by Financial Rules:
  - Financial management and control.
  - Financial planning.
  - Risk management and control of resources.
  - Systems and procedures.
  - External arrangements.
- 1.3. Financial Rules link with other internal regulatory documents forming part of the Council's Constitution. Detailed financial procedures and processes are also available on the Intranet and are an integral part of ensuring a high standard of financial management and control is maintained.

## 2. STATUS OF FINANCIAL RULES

- 2.1. Financial Rules apply to every member and officer of the Council and anyone acting on behalf of the Council. The rules apply equally where officers are undertaking work in partnership for external organisations.

The rules identify the financial responsibilities of the Full Council, Cabinet and Scrutiny Members, directors, managers,<sup>1</sup> the Head of Paid Service; the Head of Legal and Democratic in their capacity as Monitoring Officer; and the Head of Finance, Governance and Assurance<sup>2</sup>. A written record will be maintained where these responsibilities have been delegated to members of staff, including seconded staff. Where responsibilities have been delegated or devolved to other responsible officers, such as the Chief Executive and school governors, references to the directors in the rules should be read as referring to them.

- 2.2. All members and staff have a personal responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value. This should be done whilst acting in accordance with these rules.
- 2.3. The Section 151 Officer is responsible for maintaining a continuous review of the Financial Rules and advising the Council of any additions or changes necessary. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of the Financial Rules to the Council and/or to Cabinet Members.
- 2.4. All dispensations from financial rules must be authorised in writing by the Section 151 Officer after consulting with the Leader of the Council. Any dispensation requested from financial rules must be supported by a briefing note detailing the dispensation required, the business case for doing so and outlining all implications arising from this action for the Council.
- 2.5. Directors and managers are responsible for ensuring that all staff in their service areas are aware of the Financial Rules and other internal regulatory documents and that they comply with them.
- 2.6. The Section 151 Officer is responsible for issuing advice and guidance to underpin the Financial Rules which members, officers and others acting on behalf of the Council are required to follow.

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<sup>1</sup> Manager is the collective term used which incorporates heads of service and managers.

<sup>2</sup> Please note that the Head of Finance, Governance and Assurance, the Section 151 Officer and the Chief Finance Officer are the same role.

### **3. FINANCIAL RULE 1 – FINANCIAL MANAGEMENT AND CONTROL**

#### **3.1. PRINCIPLES**

- 3.1.1. A transparent framework of financial management responsibilities and decision making is essential to the effective management of the Council's financial affairs.
- 3.1.2. All members and officers have a common duty to abide by the highest standards of integrity and propriety when making decisions about the use of public monies.

#### **The Full Council**

#### **3.2. Is responsible for:**

- a) Approving the budget and policy framework within which Cabinet operates;
- b) Approving and monitoring compliance with the Council's overall framework of accountability and control as set out in the Constitution;
- c) Monitoring compliance with policies and related Cabinet decisions;
- d) Agreeing procedures for virement of expenditure between budget headings
- e) Agreeing procedures for carrying forward under and overspending on year end budget headings;
- f) Approving the annual Statement of Accounts.

#### **Cabinet**

- 3.3. Is responsible for proposing the policy framework and budget to the Full Council and for discharging Cabinet functions in accordance with the policy framework and budget.
- 3.4. Cabinet decisions can be delegated to a Committee of Cabinet, an individual Cabinet Member, a Joint Committee or an officer within the rules set out in the Delegation to Officers
- 3.5. Together with the Council, Cabinet is responsible for monitoring compliance with policies, Cabinet decisions and the framework of accountability and control.

#### **Committees of Cabinet**

#### **Scrutiny Committees**

- 3.6. Are responsible for scrutinising Cabinet or individual decisions before or after they have been implemented and for holding Cabinet to account. These Committees are responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.

#### **Performance Management Scrutiny Committee**

- 3.7. Is an independent advisory body and reports to the Full Council. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors.

### **Audit Committee**

- 3.8. Is responsible for providing those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. It will review and monitor the robustness of the treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.

### **Standards Committee**

- 3.9. Is established by the Full Council and is responsible for promoting and maintaining high standards of conduct amongst members. In particular, it is responsible for advising the Full Council on the adoption and revision of the code of conduct and for monitoring the operation of the code.

### **Pensions Committee**

- 3.10. Is responsible for approving matters relating to the Shropshire County Pension Fund and reports into Full Council via the Chair / Vice Chair of the Pensions Committee.

### **Other Regulatory Committees**

- 3.11. Planning, conservation and licensing are not Cabinet functions but are exercised through the multi-party Planning Committee which reports to the Full Council.

### **The Statutory Officers**

#### **Head of Paid Service**

- 3.12. The Chief Executive is responsible for the corporate and overall strategic management of the council as a whole. The Head of Paid Service must report to and provide information for Cabinet, the Full Council, the Overview and Scrutiny Panels and other Committees. The Head of Paid Service is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to the Full Council's decisions.

#### **Monitoring Officer**

- 3.13. Is the Head of Legal and Democratic and is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee. The Monitoring Officer is responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to Cabinet and for ensuring that procedures for recording and reporting key decisions are operating effectively.

- 3.14. The Monitoring Officer is responsible for

- a) Ensuring that reports encompass the statutory obligations with regard to their legal and financial content;

- b) Ensuring that Cabinet decisions and the reasons for them are made public. They must also ensure that Council members are aware of decisions made by Cabinet and of those made by officers who have delegated Cabinet responsibility.
  - c) Advising all members and officers about who has authority to take a particular decision.
  - d) Advising Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
  - e) Maintaining an up to date Constitution.
- 3.15. The Monitoring Officer together with the Section 151 Officer is responsible for advising Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
- a) Initiating a new policy;
  - b) Committing expenditure 'in-year' above the revenue or capital budget level. Any proposal for expenditure in excess of the current year's budget requires the agreement of Full Council;
  - c) Committing expenditure in future years to above the budget level;
  - d) Incurring interdepartmental transfers above the virement limits.
- 3.16. It is recommended that approval is sought from the relevant Finance Business Partner in respect of all reports being put before Cabinet or Full Council.

### **The Chief Finance Officer**

- 3.17. Is the Section 151 Officer. The Section 151 Officer<sup>3</sup> has statutory duties in relation to the financial administration and stewardship of the council. This statutory responsibility cannot be overridden. The statutory duties arise from:
- a) Section 151 of the Local Government Act 1972.
  - b) Local Government Finance Act 1988.
  - c) The Local Government and Housing Act 1989.
  - d) The Local Government Act 2003.
  - e) The Accounts and Audit Regulations 2015.
- 3.18. There are five principles that are critical to the achievement of the Section 151 Officer' statutory responsibilities:
- a) Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the council's strategic objectives sustainably and in the public interest;
  - b) Is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the council's overall financial strategy;
  - c) Leads the promotion and delivery by the whole council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
  - d) Must lead and direct a finance function that is resourced to be fit for purpose;

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<sup>3</sup> See "Statement on the Role of the Director of Finance in Local Government" (CIPFA 2010) and Application Note to Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2010)

- e) Must be professionally qualified and suitably experienced.
- 3.19. If different organisational arrangements are adopted, reasons should be explained publicly in the organisation's annual governance report, together with how these deliver the same impact ('comply or explain').
- 3.20. Section 114 of the Local Government Finance Act 1988 requires the Section 151 Officer to report to the Full Council and Cabinet and the external auditor of the council where the Council:
- a) Has made, or is about to make, a decision which involves incurring unlawful expenditure.
  - b) Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the council.
  - c) Is about to make an unlawful entry in the Council's accounts.
- 3.21. Section 114 of the 1988 Act also requires
- a) The Section 151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally.
  - b) The council to provide the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.
- 3.22. Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report to members on the robustness of estimates and the adequacy of reserves.
- 3.23. **Accounting Policies:** The Section 151 Officer is responsible for selecting accounting policies and ensuring that they are applied consistently.
- 3.24. **Accounting Records and Returns:** The Section 151 Officer in consultation with directors and managers is responsible for determining the accounting procedures and records for the council. The Council is committed to maximise the benefits available from the introduction of e-commerce and the use of the Internet. Therefore all reference to documents and procedures for their use should be taken to allow for the use of electronic facilities instead of printed matter where appropriate and where approval has been given by the Section 151 Officer in advance.
- 3.25. **The Annual Statement of Accounts:** The Section 151 Officer is responsible for ensuring that the annual Statement of Accounts is prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is reviewed and updated annually'.

### **Directors and Managers**

- 3.26. It is the responsibility of the above to:
- a) Ensure that all Cabinet Members are advised of the financial implications of all proposals and that they are agreed by the Section 151 Officer;

- b) Authorise which staff can sign contracts on behalf of the Council up to a contract value of £140,000;
- c) Consult with the Section 151 Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred;
- d) Agreeing in-year virements within delegated limits. Any virement between budget heads should only be made in order to cover any unavoidable overspending elsewhere and must be notified and agreed in advance with the Section 151 Officer. Full details are set out in Appendix A;
- e) Adhere to the accounting policies and guidelines approved by the Section 151 Officer.



## **4. FINANCIAL RULE 2 – FINANCIAL PLANNING**

### **4.1. PRINCIPLES**

- 4.1.1. The purpose of financial planning is to set out and communicate the Council's objectives, resource allocations and related performance targets, and to provide an agreed basis for subsequent management control, accountability and reporting.
  - 4.1.2. Budgets are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is unlawful for the Council to budget for a deficit.
  - 4.1.3. The Council's budget sets agreed parameters around the annual activities and functions of services and is constructed within the context of a financial strategy which reflects the priorities of the Council.
  - 4.1.4. The Capital Programme sets out the resource allocations to be made to capital schemes that have the approval of Full Council. Capital expenditure involves acquiring or enhancing fixed assets with a long term value to the organisation, such as land, buildings, major items of plant, equipment of vehicles.
  - 4.1.5. To enable members to make informed decisions, all Cabinet and Committee reports must incorporate a separate section on 'financial implications'. Reports must show the costs or savings of proposals together with any approved budget provision, future commitments, potential risks, tax implications and any other financial consequences which may arise from the options and recommendations.
- 4.2. The Full Council is responsible for agreeing the council's policy framework and budget, which will be proposed by Cabinet. In terms of financial planning, the key elements are:
- a) The Corporate Plan;
  - b) The Revenue Budget, for both the General Fund and the Housing Revenue Account;
  - c) The robustness of estimates and the adequacy of reserves;
  - d) The Tax Base and Collection Fund;
  - e) The Capital Programme;
  - f) Prudential Indicators and Treasury Management Strategy;
  - g) The Financial Strategy.
- 4.3. In terms of the policy framework, it comprises of a number of statutory plans and strategies and each service area will also have their own.

The Full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Decisions should be referred to the Full Council by the Monitoring Officer.

- 4.4. The Full Council is responsible for setting the level at which Cabinet may reallocate budget funds from one service to another. Cabinet is responsible for

taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

### **Preparation of the Corporate Plan**

- 4.5. The Head of Paid Service is responsible for proposing the Corporate Plan to Cabinet for consideration before its submission to the Full Council for approval.

### **Budget Guidelines**

- 4.6. Guidelines on budget preparation are issued to members, directors, managers and budget holders by Cabinet following advice from the Section 151 Officer. The guidelines will take account of:

- a) Legal requirements;
- b) Medium term planning prospects;
- c) Forecasts of available resources externally;
- d) Forecasts of internal resources available;
- e) Spending pressures;
- f) Best value and other relevant Government guidelines;
- g) Cross cutting issues (where relevant);
- h) Impact assessments;
- i) Risk factors;
- j) Consultation with residents and businesses.

### **Budget Format**

- 4.7. The general format of the budget will be approved by the Full Council and proposed by Cabinet on the advice of the Section 151 Officer. The draft budget should include allocations to different services and projects, forecasts of funding from central government, proposed taxation levels and contingency funds and the robustness of estimates and the adequacy of levels of reserves.

### **Budget Preparation**

- 4.8. The Section 151 Officer is responsible for:
- a) Ensuring that a robust revenue budget is prepared on an annual basis for consideration by Cabinet, before submission to the Council. The Council may amend the budget or ask Cabinet to reconsider it before approving it;
  - b) Ensuring that a capital programme and Treasury Management plan are prepared on an annual basis for consideration by Cabinet, before submission to the Council;
  - c) Establishing the tax base for the council on an annual basis for the consideration by Cabinet and Council between 1 December and 31 January.
- 4.9. Cabinet is responsible for issuing guidance on cash limits and the general content of the budget on advice from the Section 151 Officer.
- 4.10. It is the responsibility of directors and managers to ensure that budget estimates reflecting agreed service plans and within the notified cash limits, are submitted to Cabinet.

## **Budget Monitoring and Control**

### **4.11. The Section 151 Officer:**

- a) is responsible for providing appropriate financial information to enable budgets to be monitored effectively;
- b) must monitor and control expenditure against budget allocations and report to Cabinet on the overall position on a regular basis, at least quarterly during the financial year.

4.12. It is the responsibility of directors and managers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Section 151 Officer. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Section 151 Officer to any problems.

### **Financial Strategy (FS)**

4.13. The Section 151 Officer shall ensure the FS is agreed annually at Full Council, at the same time the budget is agreed. The FS should:

- a) Build on all the aspects of budget compilation;
- b) Be at least three years in duration;
- c) Take account of the Government's Spending Review and settlement for local government;
- d) Consider consultation with and take account of changes in the Shires demographics, underlying drivers and changes in policy;
- e) Consider the impact of measures to improve efficiency and value for money;
- f) Consider Government legislation plans;
- g) Consider the Administration's long term goals, priorities and approved policies;
- h) Consider the direction of the economy.

## **5. FINANCIAL RULE 3 – RISK MANAGEMENT AND CONTROL OF RESOURCES**

### **5.1. PRINCIPLES**

- 5.1.1. Sound systems of internal control are essential to the proper economic, efficient and effective use of resources, the achievement of objectives, and the safeguarding of public funds.
- 5.1.2. Legislation requires that the Council provides for both internal and external audit. External audit provides an independent assessment of the Council's financial statements and the adequacy of its arrangements for securing value for money. Internal audit objectively examine, evaluate and report on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources for the Council and their external clients.
- 5.1.3. There is a basic expectation that members and all officers will act with integrity and with due regard to matters of probity and propriety, and comply with all relevant rules, regulations, procedures and codes of conduct, including those in relation to receipt of gifts and hospitality and declaration of conflicts of interest.
- 5.1.4. The Council will not tolerate fraud or corruption in the administration of its responsibilities, whether perpetrated by members, officers, customers of its services, third party organisations contracting with it, or other agencies or individuals with which it has any business dealings.
- 5.1.5. Risk management is an integral part of effective management and planning. It is concerned with identifying and managing key obstacles to the achievement of objectives.

#### **Risk Management**

- 5.2. Cabinet is responsible for approving the council's opportunity risk management strategy and for reviewing the effectiveness of risk management. This includes the adequacy of provisions, reserves and balances. Cabinet is responsible for ensuring that proper insurance exists where appropriate on the advice of the Head of Finance, Governance and Assurance.
- 5.3. The Head of Finance, Governance and Assurance is responsible for preparing the Council's Opportunity Risk Management Strategy and for promoting it throughout the council and for advising Cabinet on proper insurance cover where appropriate.

#### **Internal Control**

- 5.4. Internal control refers to the systems of control devised by management to help ensure the council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the council's assets and interests are safeguarded.
- 5.5. The Section 151 Officer, in conjunction with the Head of Audit, is responsible for advising on effective systems of internal control. These arrangements need to

ensure compliance with all applicable statutes and regulations and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

- 5.6. It is the responsibility of directors and managers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

### **Audit Requirements**

- 5.7. The Accounts and Audit Regulations 2015 require every local council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 5.8. The Local Government Association (Public Sector Appointments Ltd) is currently responsible for appointing external auditors to each Local Council. The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.
- 5.9. The council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

### **Preventing Fraud and Corruption**

- 5.10. The Section 151 Officer is responsible for the development and maintenance of a counter-fraud, bribery and anti-corruption policy.

### **Assets**

- 5.11. Directors and managers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

### **Treasury Management and the Pension Fund**

- 5.12. This Council will create and maintain,
- a) A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - b) Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 5.13. The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Code for Treasury Management, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- 5.14. Full Council will receive reports on treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.
- 5.15. The Full Council is responsible for the implementation and regular monitoring of the treasury management policies and practices. The execution and administration of treasury management decisions is delegated to Section 151 Officer.
- 5.16. All money in the hands of the council is controlled by the officer designated for the purposes of Section 151 of the Local Government Act 1972 (the Section 151 Officer).
- 5.17. The Section 151 Officer is responsible for reporting to Cabinet a proposed treasury management strategy for the coming financial year at or before the start of each financial year, mid-year review and an annual review by 30<sup>th</sup> September of the succeeding financial year.
- 5.18. The Section 151 Officer is responsible for reporting to Cabinet not less than four times in each financial year on the performance of the treasury management operation.
- 5.19. The Council acts as Administering Authority for the Shropshire County Pension Fund. The Section 151 Officer is the designated Scheme Administrator for the Fund.
- 5.20. The Section 151 Officer (Scheme Administrator) is responsible for administering the Shropshire County Pension Fund in accordance with overriding pensions regulations and:
- a) Local Government Pension Scheme (Benefits, membership and contributions) Regulations 2007 (as amended).
  - b) Local Government Pension Scheme (Transitional provisions) Regulations 2008 (as amended).
  - c) Local Government Pension Scheme (Administration) Regulations 2008 (as amended).
  - d) Local Government Pension Scheme Regulations 1997.
  - e) Local Government Pension Scheme (Transitional provision) Regulations 1997 (as amended).
  - f) Local Government Pension Scheme Regulations 1995 (as amended).
  - g) Local Government Pension Scheme (Management and Investment of funds) Regulations 2009 (as amended).
  - h) Local Government Pension Scheme Regulations 2013 (as amended)
  - i) Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
  - j) Public Service Pensions Act 2014
  - k) Disclosure Regulations 2013
  - l) The Pension Regulator Code of Practice 2015.
  - m) Any other overriding Pensions Legislation.

- 5.21. The Section 151 Officer (Scheme Administrator) is responsible for producing and maintaining a Governance Compliance Statement, Funding Strategy Statement, Statement of Investment Principles, Communications Policy and Administration Strategy for the Fund.
- 5.22. The Pensions Committee is responsible for approving matters relating to the Shropshire County Pension Fund and reports into Full Council via the Chair / Vice Chair of the Pensions Committee.
- 5.23. The Pension Board is responsible for the oversight of these matters and assisting the Administering Authority (Shropshire Council) to secure compliance with requirements imposed in relation to the Local Government Pension Scheme by the Pensions Regulator and to ensure the effective and efficient governance and administration of the Fund.
- 5.24. The Section 151 Officer is responsible for ensuring employers within the Fund are aware of their responsibility in respect of the local government pension scheme regulations.

### **Staffing**

- 5.25. The Council is responsible for determining how officer support for non-Cabinet roles within the Council will be organised.
- 5.26. The Head of Paid Service is responsible for providing overall management to staff. He/she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 5.27. Directors and managers are responsible for controlling total staff numbers by:
- a) Ensuring that an approved post exists and that budget provision has been made to cover the cost of filling the post for the period contemplated before commencing the recruitment process.
  - b) Advising Cabinet on the budget necessary in any given year to cover estimated staffing levels.
  - c) Adjusting the staffing numbers to that which can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.
  - d) The proper use of appointment procedures.



## 6. FINANCIAL RULE 4 – SYSTEMS AND PROCEDURES

### 6.1. PRINCIPLES

6.1.1. Good systems and procedures are essential to the effective management and administration of the Council's financial affairs. This includes:

- a) **Accounting** The main accounting system provides the prime source of financial data for management accounts, statutory accounts and government returns. It is essential that this system complies with legislation and proper accounting practice and that all information is recorded accurately, completely and in a timely manner, and that any errors detected promptly and rectified.
- b) **Income** Effective systems are necessary to ensure that all income due is collected, receipted, recorded and banked properly. Where possible income should be collected in advance to improve cash flow and avoid costs of debt collection. Debts should only be written off once all reasonable avenues have been exhausted or where it would prove uneconomical to pursue.
- c) **Expenditure** May only be incurred where budgetary provision is available and must comply with the Council's contract procedure rules and approved payment processes. Purchase orders must be raised to ensure that the expenditure is recorded as a commitment in the Council's main accounting system.
- d) **Banking** All transactions through the Council's bank accounts must be properly processed, recorded and reconciled.
- e) **Treasury management and the Pension Fund** Effective strategies must be maintained for the investment of cash balances and for borrowing to fund the Capital Programme.
- f) **Taxation** Effective systems must be in place to ensure that all tax liabilities and obligations are properly reported and accounted for and that losses, fines and penalties are avoided.
- g) **Asset management** The Council's assets must be properly recorded, safeguarded from loss/harm and utilised effectively, and any disposals undertaken in a controlled manner.
- h) **Insurance** Appropriate insurance cover is necessary to protect the Council from financial claims arising from unforeseen events such as damage to property or injury to employees or to the public.
- i) **Recharges and internal trading accounts** The Council is required to allocate all of its back-office costs to service areas in compliance with accounting codes of practice.

#### General

6.2. The Section 151 Officer is responsible for the operation of the council's accounting systems, the form of accounts and the supporting financial records. Any changes made by directors and managers to the existing financial systems or the establishment of new systems must be approved by the Section 151 Officer. However, directors and managers are responsible for the proper operation of financial processes in their own directorates.

6.3. Any changes to agreed procedures by directors and managers to meet their own specific service needs shall be agreed in advance with the Section 151 Officer.



- 6.4. Directors and managers should ensure that their staff receive relevant financial training.

### **Income and Expenditure**

- 6.5. It is the responsibility of the directors and managers to ensure that a proper scheme of delegation has been established and is operating effectively. It should identify staff authorised to act on behalf of directors and managers or that of Cabinet, in respect of
- a) Placing orders together with the limits of their authority, within the precepts of good procurement practices and budgetary provision;
  - b) Payments for goods received;
  - c) The raising of income;
  - d) The collection of income and the annual writing off of bad debts.

The Council is responsible for approving procedures for the writing off debts as part of its overall control framework of accountability and control.

### **Taxation**

- 6.6. The Section 151 Officer is responsible for advising on all taxation issues that affect the council maintaining the council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date.

## **7. FINANCIAL RULE 5 – EXTERNAL ARRANGEMENTS**

### **7.1. PRINCIPLES**

- 7.1.1. The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- 7.1.2. All partnerships and joint working arrangements with outside bodies must be properly evaluated for risk before they are entered into, and be supported by clear governance, accounting and audit arrangements.
- 7.1.3. External funding can prove an important source of income but funding conditions must be carefully examined before any agreement is entered into to ensure they are compatible with the aims and objectives of Council.
- 7.1.4. Legislation enables the Council to trade and provide services to third parties. All such work must be within the legal powers of the council (intra vires) and the respective risks and financial benefits associated with such work must be properly considered and a business case approved before any trading activities take place.
- 7.2. Cabinet is responsible for approving delegations, including frameworks for partnerships. Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. It is responsible for approving the contractual arrangements for any work for third parties or external bodies.
- 7.3. The Section 151 Officer is responsible for ensuring that all funding notified by external bodies is accepted (or refused), received and properly recorded in the council's accounts.
- 7.4. Cabinet can delegate functions, including those relating to partnerships to officers. They are set out in the Scheme of Delegation that forms part of the Council's Constitution. Where functions are delegated, Cabinet remains accountable for them to the Full Council.
- 7.5. The Head of Paid Service or an officer nominated by him represents the council on partnership and external bodies in accordance with the Scheme of Delegation.
- 7.6. The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial affairs in partnerships that apply throughout the council.
- 7.7. The Section 151 Officer must ensure that the accounting and auditing arrangements to be adopted relating to partnerships, joint ventures and accountable bodies are satisfactory. They must also consider the overall corporate governance arrangements when arranging contracts with external bodies. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

- 7.8. Directors and managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

## APPENDIX A: FINANCIAL MANAGEMENT

In this Appendix:

- A1 Financial Management Standards.
- A2 Managing and Controlling Spending.
  - a) Revenue budget.
  - b) Scheme of virement.
  - c) Treatment of year end balances.
- A3 Accounting Policies.
- A4 Accounting Records and Returns.
- A5 Format of the Accounts.

### A.1. FINANCIAL MANAGEMENT STANDARDS

#### Why is this important?

- A.1.1. All staff and members have a duty to abide by the highest standards of probity in dealing with financial issues. This is achieved in part by ensuring that everyone is clear about the standards to which they are working, and the controls which are in place to ensure that these standards are met.

#### Key controls

- A.1.2. The key controls for financial management standards are:

- a) Their promotion throughout the Council
- b) Having in place a monitoring system to review compliance with financial standards, and that regular comparisons of performance indicators and benchmark standards are reported to Cabinet and Full Council.

#### Responsibilities of Section 151 Officer

- A.1.3. To ensure the proper administration of the financial affairs of the Council.
- A.1.4. To set the financial management standards, and to monitor compliance with them.
- A.1.5. To ensure proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.
- A.1.6. To advise on the key strategic controls necessary to secure sound financial management.
- A.1.7. To ensure that financial information is available to enable accurate and timely reporting of comparisons of financial performance indicators.

#### Responsibilities of Directors and Managers

- A.1.8. To promote the financial management standards set by the Section 151 Officer in their service areas and to monitor adherence to those standards and practices.
- A.1.9. To promote sound financial practices in relation to the standards performance and development of staff in their service areas.

### **Key controls**

## **A.2. MANAGING AND CONTROLLING SPENDING AND INCOME**

### **a) Revenue Budget**

#### **Why is this important?**

- A.2.1. Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continual process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism to call to account managers responsible for defined elements of the budget.
- A.2.2. By identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual cash limit, approved in setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the cash limited budget allocated to it.
- A.2.3. For the purposes of budgetary control by managers, a budget head will normally be a cost centre. However, it may be at a more detailed level in the standard coding structure if this is required by the directors or managers scheme of delegation.

### **Key controls**

- A.2.4. The key controls for managing and controlling the revenue budget are:
- a) Budget holders should be responsible only for expenditure and income which they can influence.
  - b) Each “£” of budgeted expenditure is allocated to a named budget holder.
  - c) Budget holders accept accountability for their budgets and the level of service to be delivered.
  - d) Budget holders follow an approved certification process for all expenditure.
  - e) Income and expenditure is properly recorded and accounted for.
  - f) Performance levels/levels of service are monitored in conjunction with the budget and necessary action taken to align service outputs and budget.

## **Responsibilities of Section 151 Officer**

- A.2.5. These responsibilities are carried out through the Finance Officers reporting to the Section 151 Officer. To establish an appropriate framework of budgetary management and control this ensures that:
- a) Budget management is exercised within the annual cash limits agreed by Council.
  - b) Each director and manager has available timely information on income and expenditure on each budget heading, to enable budget holders to fulfil their budgetary responsibilities.
  - c) Expenditure is committed only against an approved budget.
  - d) All officers responsible for committing expenditure comply with relevant guidance, including Financial Rules.
  - e) Each budget has a single named manager, determined by the director and managers. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making which commits expenditure.
  - f) Significant variances from approved budgets are investigated and reported by managers regularly.
  - g) Procedures are in place for corrective action to be taken to manage significant variances.
- A.2.6. To administer the Council's scheme of virement.
- A.2.7. To submit regular reports to Cabinet and to Council, in consultation with the directors or managers, where a director or manager is unable to balance expenditure and resources within existing approved budgets under his or her control.
- A.2.8. To prepare and submit regular budget monitoring reports on the Council's projected expenditure compared with the budget.

## **Responsibilities of directors and managers**

- A.2.9. To maintain budgetary control within the Service, in adherence to the principles in A2.5 and to ensure that all income and expenditure is properly recorded and accounted for.
- A.2.10. To ensure that a single accountable budget officer is identified for each item of expenditure under the control of the director or managers. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making who commits expenditure.
- A.2.11. To ensure that spending remains within the service's overall cash limit, and that individual budgets are not overspent, by monitoring the budget and, where it appears that areas of the budget are likely to be over or underspent, taking appropriate corrective action.
- A.2.12. To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that any necessary action is taken.

- A.2.13. To prepare and submit to Cabinet reports on the service's projected expenditure compared with its budget, in consultation with the Section 151 Officer.
- A.2.14. To advise the Section 151 Officer immediately where it is clear that they are unable to balance expenditure or income (when a loss of income arises) within existing approved budgets under their control.
- A.2.15. To ensure prior approval by the Council for new proposals<sup>4</sup>, of whatever amount, which:
- a) Creates financial commitments in future years.
  - b) Initiates new policy or ceases existing policies.
  - c) Materially extends or reduces the Council's services.
- A.2.16. To ensure compliance with the Council's scheme of virement.
- A.2.17. To consult with the relevant director or managers and Section 151 Officer where it appears that a budget proposal, including a virement proposal, may impact materially on another service, directors or managers level of service activity.

## **b) Scheme of virement**

### **Why is this important?**

- A.2.18. The scheme of virement is intended to enable directors, managers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, whilst maintaining a corporate system of overview to ensure best use of resources.

### **Key Controls**

- A.2.19. Key controls for the scheme of virement are:
- a) That it is administered by the Section 151 Officer within guidelines set by Council. Any variation from this scheme requires the approval of Council.
  - b) That the overall budget is agreed by Cabinet and approved by Council. Directors, managers and budget holders are therefore authorised to incur expenditure in accordance with those estimates. The rules below cover virement that is switching resources between budget heads. For the purposes of these Rules a budget head is considered to be a line in the Council's budget book which, as a minimum, is at an equivalent level to the standard service sub-division as defined by CIPFA. The scheme applies equally to a reduction in income as to an increase in expenditure.
- A.2.20. Directors and managers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they

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<sup>4</sup> A report on new proposals should explain the full financial implications, after consultation with the Section 151 Officer. Unless the Council has agreed otherwise, directors and managers must plan to contain the financial implications of such proposals within their cash limit.

should avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors and managers must plan to fund such commitments from within their own budgets.

### **Responsibilities of Section 151 Officer**

A.2.21. To prepare jointly with the appropriate manager and/or director a report to the Council where virements in excess of £1,000,000 are proposed. To report to Cabinet where virements:

- a) In excess of £500,000 and below £1,000,000 are proposed.
- b) From salaries budgets are proposed.

A.2.22. To maintain a register of all virements.

A.2.23. To report all virements over £140,000 and below £500,000 to Cabinet for information.

### **Responsibilities of directors and all managers**

A.2.24. A manager or director, with the approval of the Section 151 Officer, may exercise virements on budgets within or outside of their own area for amounts below £500,000. There shall be full agreement between the manager(s) and, or director(s) with responsibility for the policy area.

A.2.25. No virement relating to a specific financial year should be made after 31 March in that year.

A.2.26. Any virements undertaken in housing must not have any overall effect on the HRA.

A.2.27. No virement should occur from salaries budgets to non-salary budgets without prior approval of the Section 151 Officer and Cabinet.

A.2.28. A school's governing body may transfer budget provision between heads of expenditure within the delegated schools' budgets.

A.2.29. Where an approved budget heading is a contingent sum intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- a) The amount is used in accordance with the purposes for which it has been established.
- b) Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to Cabinet.



### **c) Treatment of year end balances**

#### **Why is this important?**

A.2.30. The rules below cover arrangements for the transfer of resources between accounting years i.e. a 'carry forward'. For the purposes of this scheme a budget heading is a line in the Council's budget book.

#### **Key controls**

A.2.31. Appropriate accounting procedures are in operation to ensure that carried forward totals are correct.

#### **Responsibilities of Section 151 Officer**

A.2.32. To approve 'carry forward' schemes and administer the scheme of 'carry forward' within the guidelines set by Council.

A.2.33. To report the extent of overspending and underspending on service estimates carried forward to Cabinet and to Council.

#### **Responsibilities of directors and managers**

A.2.34. Any overspending on service estimates in total on budgets under the control of the director or managers must be carried forward to the following year, unless it falls into an exception category as defined by the Section 151 Officer and will constitute the first call on service estimates in the following year.

A.2.35. Net underspending on service estimates, under the control of the director or managers, may be carried forward, subject to the annual report to Cabinet on the source of underspending or additional income and the proposed application of those resources. For example, if the underspend is a result of a project slipping the funds may be carried forward any general underspend which have no future commitment will be transferred into balances.

A.2.36. All internal business unit surpluses shall be retained for the benefit of the Council and their application shall require the approval of Cabinet (or other locally determined rules).

A.2.37. Schools' balances shall be available for carry forward to support the expenditure of the school concerned. Any school wishing to operate a licensed deficit shall notify the Council of its intent by 1<sup>st</sup> February preceding the start of the first financial year to which the deficit would apply. The Director of Children's Services, the Head of Finance, Governance and Assurance or their representative will meet with the finance committee of the governing body, to agree the basis of the licensed deficit.

A.2.38. The maximum length over which schools may repay the deficit shall be five years. A school operating a licensed deficit will be required to report

to the Head of Finance, Governance and Assurance on an annual basis as to the position in relation to the agreed staging for repaying the deficit. Failure to keep to the agreed plan, or negotiate variations to it with the Council, may lead to the withdrawal of delegation.

### **A.3. ACCOUNTING POLICIES**

#### **Why is this important?**

A.3.1. The Section 151 Officer is responsible for the preparation of the Council's statement of accounts in the format required by the CIPFA Code of Practice on Local Authority Accounting in United Kingdom (a statement of recommended practice), for the financial year ending 31 March.

#### **Key controls**

A.3.2. The key controls for accounting policies are:

- a) Suitable accounting policies are selected and applied consistently.
- b) Judgements are made and estimates prepared which are reasonable and prudent.
- c) Statutory and other professional requirements are observed to maintain proper accounting records.
- d) All reasonable steps have been taken for the prevention and detection of fraud and other irregularities.

#### **Responsibilities of Section 151 Officer**

A.3.3. To adopt suitable accounting policies and to ensure that they are applied consistently. The accounting policies will be set out in the statement of accounts which is prepared at 31 March each year.

#### **Responsibilities of directors and managers**

A.3.4. To adhere to the accounting policies approved by the Section 151 Officer.

### **A.4. ACCOUNTING RECORDS AND RETURNS**

#### **Why is this important?**

A.4.1. Proper accounting records are one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has statutory responsibility to prepare its annual accounts to present a true and fair view of the financial position and the Council's operations during the year. These are subject to external audit. This provides assurance that the accounts are properly prepared and proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the council's resource.

## **Key controls**

A.4.2. The key controls for accounting records and returns are:

- a) All Cabinet Members, finance staff and budget holders operate within the required accounting standards of the Council.
- b) All the council's transactions, material commitments and contracts and other essential accounting information have been recorded completely, accurately and on a timely basis.
- c) Procedures are in place to enable accounting records to be reconstituted in the event of failure.
- d) Balances and reconciliation procedures are carried out to ensure transactions are correctly recorded.

## **Responsibilities of Section 151 Officer**

A.4.3. To determine the accounting procedures and records for the Council. Where these are maintained in a Directorate other than that of the Section 151 Officer, they shall, before making any determination, consult the Director of Adult Services, Children's Services, Place and Enterprise, Public Health, Legal, HR or IT.

A.4.4. To compile all accounts and accounting records or ensure they are compiled under his direction.

A.4.5. To comply with the following principles when allocating accounting duties:

- a) Separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums, from the duty of collecting or disbursing them.
- b) Employees with the duty of examining or checking the accounts of cash transactions shall not themselves be engaged in these transactions.

A.4.6. To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations.

A.4.7. To prepare and publish the audited accounts of the Council, with no qualifications, for each financial year, and with the requirement for the Council to approve the audited Statement of Accounts and to publish this document in accordance with the statutory timetable.

A.4.8. To administer the Council's arrangements for under and overspending to be carried forward to the following financial year.

A.4.9. To ensure the proper retention of financial documents. The periods for which documents are to be retained will be specified separately to these financial procedures in the Corporate Retention Schedule.

A.4.10. To complete all statutory financial returns to government departments.

## **Responsibilities of directors and managers**

- A.4.11. To consult and obtain the approval of the Section 151 Officer before making any changes to accounting records and procedures.
- A.4.12. To comply with the principles outlined in paragraph A4.5 when allocating accounting duties.
- A.4.13. To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.
- A.4.14. To supply information required to enable the Statement of Accounts to be completed, in accordance with guidelines issued by the Section 151 Officer.
- A.4.15. To observe such accounting instructions as may be made from time to time.
- A.4.16. To maintain the corporate register of specific grants supported by detailed records to support claims submitted.
- A.4.17. To supply information required to enable all statutory financial returns to be submitted within timescales.

## **A.5. FORMAT OF THE ACCOUNTS**

### **Why is this important?**

- A.5.1. The format of the budget will determine the level of detail on which financial control and management will be exercised. The format will shape how the rules around virement will operate, the operation of cash limits and set the level at which funds may be re-allocated within budgets.

### **Key controls**

- A.5.2. The key controls for the budget format are:
  - a) The format complies with all legal requirements.
  - b) The format complies with CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (a statement of recommended practice).
  - c) The format meets the requirements of Service Reporting Code of Practice issued by CIPFA.

### **Responsibilities of Section 151 Officer**

- A.5.3. To advise Council on the format of the budget.

### **Responsibilities of directors and managers**

- A.5.4. To comply with accounting guidance provided by the Section 151 Officer.

## APPENDIX B: FINANCIAL PLANNING

In this Appendix:

- B1 Strategic Plans.
- B2 Budgeting.
  - a) Format of the budget
  - b) Revenue Budget Preparation, Monitoring and Control
  - c) Resource allocation.
  - d) Capital programmes
  - e) Preparing revenue budgets and medium term planning
- B3 Use of Reserves.

### B.1. STRATEGIC PLANS

#### Why is this important?

B.1.1. Each local council has a statutory responsibility to publish various strategic plans.

#### Key controls

B.1.2. The key controls for strategic plans are:

- a) To ensure that all relevant plans are produced and that they are consistent with each other;
- b) To produce plans in accordance with statutory requirements;
- c) To meet the timetables set.

#### Responsibilities of the Section 151 Officer

- a) To advise the Council and supply the financial information that needs to be included in strategic plans in accordance with statutory requirements and agreed timetables;
- b) To contribute to the development of corporate and service targets and objectives and performance information.

#### Responsibilities of the directors and managers

- a) To contribute to the development of strategic plans in line with statutory requirements;
- b) To contribute to the development of corporate and service targets and objectives and performance information.

### B.2. BUDGETING

#### a) Format of the Budget

#### Why is this important?

B.2.1. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the

rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

### **Key controls**

B.2.2. The key controls for the budget format are:

- a) The format complies with all legal requirements;
- b) The format complies with CIPFA's "Reporting Code of Practice";
- c) The format reflects the accountabilities of service delivery.

### **Responsibilities of Section 151 Officer**

B.2.3. To advise Cabinet on the format of the budget that is approved by the Full Council.

### **Responsibilities of directors, managers and budget holders**

B.2.4. To comply with accounting guidance provided by the Section 151 Officer.

### **b) Revenue Budget Preparation, Monitoring and Control**

#### **Why is this important**

- B.2.5. Budget management ensures that once the budget has been approved by the Full Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- B.2.6. By continuously identifying and explaining variances against budgetary targets, the council can identify changes in trends and resource requirements at the earliest opportunity. The council itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it.
- B.2.7. For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required.

### **Key controls**

B.2.8. The key controls for managing and controlling the revenue budget are:

- a) Budget holders should be responsible only for income and expenditure that they can influence.
- b) There is a nominated Budget holder for each cost centre heading.

- c) Budget holders accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- d) Budget holders shall order in accordance with these Financial Rules and Contract Procedure Rules.
- e) Budget holders follow an approved certification process for all expenditure.
- f) Income and expenditure are properly recorded and accounted for.
- g) Performance levels and levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

### **Responsibilities of Section 151 Officer**

B.2.9. To establish an appropriate framework of budgetary management and control to ensure that:

- a) Budget management is exercised within annual cash limits unless the Full Council agrees otherwise.
- b) Each director or manager has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
- c) Expenditure is committed only against an approved budget head.
- d) All officers responsible for committing expenditure comply with relevant guidance, and the Financial Rules.
- e) Each cost centre has a single named manager, determined by the relevant director or manager. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.
- f) Significant variances from approved budgets are investigated and reported by budget holders regularly.

B.2.10. To administer the council's scheme of virement.

B.2.11. To submit reports to Cabinet and to the Full Council, in consultation with the relevant director or managers, where a director or manager is unable to balance expenditure and resources within existing approved budgets under his or her control.

B.2.12. To prepare and submit reports on the council's projected income and expenditure compared with the budget on a quarterly basis to Cabinet.

### **Responsibilities of Directors and Managers**

B.2.13. To maintain budgetary control within their Service Area in adherence to the principles in B2.9 and to ensure that all income and expenditure are properly recorded and accounted for.

B.2.14. To ensure that an accountable budget holder is identified for each item of income and expenditure under the control of the director or managers (grouped together in a series of cost centres). As a general principle, budget responsibilities should be aligned as closely as possible to the decision-making that commits expenditure.

- B.2.15. To use accredited suppliers in the purchase of goods, supplies and services.
- B.2.16. To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- B.2.17. To ensure that a monitoring process is in place to review performance levels and levels of service in conjunction with the budget and is operating effectively.
- B.2.18. To prepare and submit to Cabinet reports on the service's projected expenditure compared with its budget, in consultation with the Section 151 Officer.
- B.2.19. To ensure prior approval by the Full Council or Cabinet (as appropriate) for new proposals of whatever amount, that:
- a) Create financial commitments in future years.
  - b) Change existing policies, initiate new policies or cease existing policies.
  - c) Materially extend or reduce the council's services.
- B2.20 To ensure compliance with the scheme of virement.
- B2.21 To agree with the relevant director or manager where it appears that a budget proposal, including a virement proposal, may impact materially on another service area.

### **c) Resource Allocation**

#### **Why is this important?**

- B.2.20. A report on new proposals should explain the full financial implications, following consultation with the Section 151 Officer. Unless the Full Council or Cabinet has agreed otherwise, director and managers must plan to contain the financial implications of such proposals within their cash limit.
- B.2.21. A mismatch often exists between available resources and required resources.
- B.2.22. A common scenario is that available resources are not adequate to fulfil need and desire. It is therefore imperative that resource allocation is carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

#### **Key controls**

- B.2.23. The key controls for resource allocation are:



- a) Budget holders obtain appropriate resources for the specified level of service delivery.
- b) Resources are acquired using an approved authorisation process.
- c) Resources are only used for the purpose intended by the Council, to achieve the approved policies and objectives, and are properly accounted for.
- d) Resources are secured for use when required.
- e) Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

### **Responsibilities of Section 151 Officer**

B.2.24. To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

B.2.25. To prepare a Financial Strategy which is reviewed annually to identify new service pressures, developments and likely levels of resource available. To assist in the allocation of resources to managers.

### **Responsibilities of directors, managers and budget holders**

B.2.26. To work within budget limits and to utilise resources allocated and further allocate resources in the most efficient, effective and economic way.

B.2.27. To identify opportunities to minimise or eliminate resource requirement or consumption without a detrimental effect on service delivery.

### **d) Capital Programmes**

#### **Why is this important?**

B.2.28. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the council, such as land, buildings and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long-term and create financial commitments for the future in the form of financing costs and revenue running costs. They may also generate income.

B.2.29. The Government places strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B.2.30. The Council wishes to minimise prudential borrowing unless it is self-funding and maximise its capital receipts.

### **Key controls**

B.2.31. The key controls for capital programmes are:

- a) Specific approval by the Full Council for the programme of capital expenditure and its funding streams.
- b) Expenditure on capital schemes is subject to the approval of the Section 151 Officer.

- c) A scheme appraisal, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by Cabinet.
- d) Proposals for improvements and alterations to buildings must be approved by the appropriate director or managers
- e) Schedules for individual schemes within the overall budget approved by the Full Council must be submitted to Cabinet for approval (for example, minor works), or under other arrangements approved by the Full Council.
- f) The development and implementation of asset management plans.
- g) Accountability for each proposal is accepted by a named manager.
- h) Monitoring of progress in conjunction with expenditure and comparison with approved budget.

### **Responsibilities of Section 151 Officer**

- B.2.32. To prepare capital estimates jointly with directors and managers and to report them to Cabinet for approval at the same time as the revenue budget is agreed and approved. Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the Council. Cabinet Member approval is required where a director or manager proposes to bid for or exercise additional borrowing approval not anticipated in the capital programme. This is because the extra borrowing may create future commitments to financing costs.
- B.2.33. To prepare and submit reports to the Council on the projected expenditure and resources compared with the approved estimates.
- B.2.34. To issue guidance concerning capital schemes and controls for example on project appraisal techniques. The definition of 'capital' will be determined by the Section 151 Officer, having regard to Government rules and accounting requirements.
- B.2.35. To obtain authorisation by Cabinet for individual schemes where the proposed expenditure exceeds the capital programme provision by more than 5% of the scheme budget or £5,000 whichever is the greater.
- B.2.36. To prepare and submit monthly monitoring reports to Cabinet comparing expenditure to estimates, clearly identifying variances plus or minus, with explanations for the variances and recommendations for any actions to be taken.
- B.2.37. To report to Cabinet on capital expenditure compared to estimates, including all contracts where the final expenditure exceeds the approved estimate by more than the prescribed amount of 5% of the scheme budget or £5,000 whichever is the greater.
- B.2.38. The Chief Officers' Capital Steering Group has overall responsibility for monitoring the capital programme in conjunction with Council Management Team. The Section 151 Officer is responsible for agreeing and approving variations up to £500,000 and jointly with the appropriate director or manager reporting; variations in excess of £500,000 and

below £1,000,000 to Cabinet for approval; variations in excess of £1,000,000 to Full Council for approval.

- B.2.39. To maintain a register of all virements and report all those over £140,000 and below £500,000 to Cabinet for information.

### **Responsibilities of directors, managers and budget holders**

- B.2.40. To comply with guidance concerning capital schemes and controls issued by the Section 151 Officer.
- B.2.41. To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Section 151 Officer.
- B.2.42. To prepare regular reports reviewing the capital programme provisions for their services and to prepare a monthly return of estimated final cost of schemes in the approved capital programme for submission to the Section 151 Officer.
- B.2.43. To ensure that adequate records are maintained in respect of all capital contracts.
- B.2.44. To proceed with projects only when there is adequate provision in the capital programme, and with the agreement of the Section 151 Officer where required.
- B.2.45. To ensure that any variation that results in a revenue increase has a funding source identified and is approved by the Section 151 Officer and Cabinet.
- B.2.46. A manager or director, with the approval of the Section 151 Officer, may approve variations on the capital programme within or outside of their own area for amounts up to and including £500,000 on any one project area during the year where they have agreed the variation with the other manager(s) or director(s) with responsibility for the area to be impacted upon.
- B.2.47. To prepare and submit monthly monitoring reports, jointly with the Section 151 Officer, to Cabinet and of any variation in contract costs greater than the approved limits. Cabinet will consider all variations in excess of 5% of the current scheme budget or £5,000, whichever is greater.
- B.2.48. To prepare and submit reports, jointly with the Section 151 Officer, to Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than 5% of the current scheme budget of £5,000, whichever is the greater.
- B.2.49. To ensure that they do not enter into credit arrangements, such as leasing agreements, without the prior approval of the Section 151 Officer and, if applicable, approval of the scheme through the capital programme.

B.2.50. To consult with the Section 151 Officer and to seek Cabinet approval where the director or managers proposes to bid for additional borrowing approvals to be issued by Government departments to support expenditure which has not been included in the current year's capital programme.

## **b) Preparing revenue budgets and medium term planning**

### **Why is this important?**

B.2.51. The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.

B.2.52. The revenue budget must be constructed so as to ensure that resource allocation properly reflects the spending plans and priorities of the Council. Budgets (spending plans), are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent.

B.2.53. Medium term planning (or a three to five year planning system) involves a planning cycle in which each manager develops their own plans. As each year passes, another future year will be added to the medium term plan. Medium term planning ensures that the Council is always preparing for events in advance.

### **Key controls**

B.2.54. The key controls for budget preparation are:

- a) Specific budget approval for all expenditure.
- b) Budget holders accept accountability within delegations set by Cabinet for their budgets and the level of service to be delivered.
- c) A monitoring process is in place to review regularly the effectiveness and operation of budget preparation and that any corrective action is taken.
- d) Proper accounting practices and policies are adhered to.

### **Responsibilities of Section 151 Officer**

B.2.55. To prepare and submit reports and provide advice on budget strategy for Cabinet, including base budget build up and resource constraints set by the Government. Reports should take account of medium term prospects, where appropriate.

B.2.56. To determine the detailed form of revenue estimates, consistent with the general directions of the Council, and after consultation with Cabinet and Directors and Managers.

B.2.57. To prepare and submit reports to Cabinet on the aggregate spending plans of Directorates and on the resources available to fund them,

identifying, where appropriate, the implications for the level of Council Tax to be levied.

- B.2.58. To advise on the medium term implications of Government statements on public spending and distribution of central government resources.
- B.2.59. To encourage best use of resources and value for money by working with directors and managers to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- B.2.60. To advise Council on Cabinet proposals in accordance with his or her responsibilities under Section 151 of the Local Government Act 1972.

### **Responsibilities of directors, managers and budget holders**

- B.2.61. To prepare estimates of income and expenditure, in consultation with the Section 151 Officer, to be submitted to Cabinet.
- B.2.62. To prepare budgets which are consistent with any relevant cash limits, with the Council's annual budget cycle and with guidelines issued by Cabinet. The format should be prescribed by the Section 151 Officer in accordance with the Council's general directions.
- B.2.63. To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- B.2.64. To consult with Cabinet Members and relevant directors and managers, where it appears that a budget proposal is likely to impact on another service or level of service activity.
- B.2.65. In consultation with the Section 151 Officer and in accordance with the laid down guidance and timetable to prepare detailed draft revenue and capital budgets for consideration by Cabinet and Full Council.
- B.2.66. To have regard to:
  - a) Spending patterns and pressures revealed through the budget monitoring process.
  - b) Legal requirements.
  - c) Policy requirements as defined by the Council.
  - d) Initiatives already underway when drawing up draft budget requirements.

### **B.3. USE OF RESERVES**

#### **Why is this important?**

B.3.1. Reserves are maintained as a matter of prudence.

#### **Key controls**

B.3.2. To maintain reserves on a risk basis over a three year period and in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.

#### **Responsibilities of Section 151 Officer**

B.3.3. To advise on prudent levels of reserves for the Council, and to act on the advice of external audit in this matter.

## APPENDIX C: RISK MANAGEMENT AND CONTROL OF RESOURCES

In this Appendix:

- C1 Internal Controls
- C2 Audit Requirements.
  - a) Internal audit
  - b) External audit
  - c) Preventing financial irregularities.
- C3 Resource: Land, Buildings, Fixed Plant and Machinery
  - a) Security
  - b) Inventories
  - c) Stocks and stores
  - d) Intellectual property
- C4 Asset Disposal
- C5 Risk Management and Banking
- C6 Treasury Management and Banking
- C7 Investments and Borrowing
- C8 Unofficial and Voluntary Funds and Funds held for Third Parties
  - a) General
  - b) Court of Protection and Guardian ad Litem Administration
  - c) Imprest Accounts
- C9 Staffing; including Gifts and Hospitality

### C.1. INTERNAL CONTROLS

#### Why is this important?

- C.1.1. The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to:
  - a) facilitate the effective exercise of its functions and the achievement of its aims and objectives;
  - b) ensure that the financial and operational management of the council is effective; and
  - c) include effective arrangements for the management of risk.
- C.1.2. The Council has statutory obligations to meet and requires internal controls to identify, meet and monitor compliance with these obligations.
- C.1.3. The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of their objectives. Internal controls are necessary to identify, evaluate and control these risks.
- C.1.4. The system of internal controls is established in order to provide measurable occurrence of:
  - a) Efficient and effective operations.
  - b) Reliable financial information and reporting.
  - c) Compliance with laws and rules.

## **Key controls**

- C.1.5. Effective review on a regular basis and at least annually.
- C.1.6. Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance, and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- C.1.7. Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- C.1.8. An effective internal audit function which operates in accordance with the principles enshrined in CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, and with any other statutory obligations and rules.

## **Responsibilities of S151 Officer**

- C.1.9. Assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, internal financial controls and compliance with laws and rules.
- C.1.10. Ensure that the Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervisions, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.

## **Responsibilities of directors, managers and budget holders**

- C.1.11. To ensure they have adequate internal control systems in place covering all aspects of their operations, both financial and non-financial.
- C.1.12. To manage processes to check that established controls are being adhered to, and to evaluate their effectiveness, in order to be confident in the proper use of resources.
- C.1.13. To provide an annual assurance statement to the Section 151 Officer in respect of the adequacy and effectiveness of the internal control environment within their areas of operations, and to identify any material weaknesses and how these are being addressed. This annual assurance statement will form part of the evidence to support the Annual Governance Statement
- C.1.14. To up-date existing controls and establish and implement new ones and keep the Section 151 Officer informed of all changes.



- C.1.15. To ensure staff have a clear understanding of the consequences of a lack of control in the areas within which they work and the consequences of these not being followed.

## **C.2. AUDIT REQUIREMENTS**

### **a) Internal Audit**

#### **Why is this important?**

- C.2.1. The Section 151 Officer has a statutory responsibility for the overall financial administration of the Council's affairs and is responsible for maintaining an adequate and effective continuous internal audit.
- C.2.2. Internal audit is an independent objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. (Public Sector Internal Audit Standards (PSIAS) 2013).
- C.2.3. Internal Audit has a key role to play in independently reviewing the effectiveness of the Council's entire internal control environment in respect to the processes for governance, risk management and control. It contributes an objective opinion to the council's Annual Governance Statement

#### **Key controls**

- C.2.4. The key controls for internal audit are:
- a) The Head of Audit is the Council's Chief Audit Executive as defined under the Standards and is the Chief Internal Auditor as defined in CIPFA's Statement on the Role of the Chief Internal Auditor who reports to the Section 151 Officer and ensures that Internal Audit remains independent in its planning and operation.
  - b) The Head of Audit has direct access to the Head of Paid Service, all levels of management and to elected members including the Council's Audit Committee.
  - c) Internal auditors comply with the Public Sector Internal Audit Standards (PSIAS) including the Definition of Internal Auditing and the Code of Ethics, and other relevant guidance as set out in the Internal Audit Charter.
  - d) The Head of Audit is responsible for maintaining periodic audit plans which have due regard to the key priorities and associated risks of the council, the objectives and risks for each service areas in delivering their services and the requirements of the external auditor.
  - e) The Head of Audit must report to the s151 Officer or the Audit Committee if there are insufficient resources or limitations in the scope of their work to provide reasonable assurance or a service consistent with the definition of Internal Audit.

## **Responsibilities of Section 151 Officer**

- C.2.5. The Section 151 Officer has been delegated with maintaining an adequate and effective system of internal audit. He or she must ensure that internal auditors have the authority to:
- a) Access at reasonable times, premises or land used by the Council.
  - b) Access all Council and partner assets, records, documents, correspondence and control systems except for those from which they are statutorily prevented.
  - c) Require and receive any information and explanation considered necessary concerning any matter under consideration from any employee, member, partner or third party.
  - d) Require any employee of the Council or any partner/ third party to account for cash, stores or any other Council property under their control and produce for inspection if required.
  - e) Access records belonging to third parties, such as contractors, when required.
  - f) Report directly to the Head of Paid Service, all levels of management and to elected members including the Council's Audit Committee.
  - g) Evaluate the adequacy effectiveness of internal controls in responding to risks within the organisations governance operations and information systems designed to secure assets and data to assist management in preventing and deferring fraud.
- C.2.6. The Head of Audit should maintain an Internal Audit Charter and annual risk based audit plan in conjunction with the Section 151 Officer which takes account of the characteristics and relative risks of the activities involved. She should liaise with the Head of Paid Service and Managers on the audit plans and cover required. In addition to the statutory requirement, this takes account of the need to seek added value, effective use of resources, improved performance and cost-effective controls.
- C.2.7. Where an appropriate response to audit recommendations has not been made within a reasonable period, the S151 Officer and, or the Head of Audit may refer the matter to the Head of Paid Service and, or the Audit Committee.
- C.2.8. Internal Audit has specific fraud related responsibilities which are set out in the Counter Fraud, Bribery and Anti-Corruption Strategy. To investigate promptly any fraud or irregularity of which they become aware of and to report to the Head of Paid Service who will consider any legal proceedings and disciplinary action in consultation with the appropriate director or manager.
- C.2.9. To report annually to the Head of Paid Service and to the Audit Committee on the main issues raised by Internal Audit during the year.
- C.2.10. Internal Audit will define and manage consultancy assignments as set out in the PSIAS.

## **Responsibilities of directors and managers**

- C.2.11. To ensure that internal and external auditors are given access at all reasonable times to premises, personnel, documents and assets which the auditors consider necessary for the purposes of their work.
- C.2.12. To ensure that auditors are provided promptly with any information and explanations which they seek in the course of their work.
- C.2.13. To consider and respond promptly to recommendations in audit reports.
- C.2.14. To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- C.2.15. To notify the Section 151 Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Director or Managers should take all necessary steps to prevent further loss and to secure records and documentation against removal, destruction or alteration.
- C.2.16. To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Head of Audit prior to implementation.
- C.2.17. To ensure that all employees within their services are aware of the Council's 'Speaking up about Wrongdoing Policy' and the Counter Fraud, Bribery and Anti-Corruption Policy.

### **b) External Audit**

#### **Why is this important?**

- C.2.18. The Local Government Association (Public Sector Appointments Ltd) is responsible for appointing external auditors to each local council. The Section 151 Officer is responsible for working with the external auditor and for advising the Council, Cabinet, directors and managers on their responsibilities in relation to external audit. The external auditor has the same rights of access as the internal auditor to all documents which are necessary for audit purposes.
- C.2.19. The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014, under which auditors need to satisfy themselves that:
  - a) The accounts are prepared in accordance with rules made under Section 23 of the 1982 Act and comply with the requirements of all statutory provisions applicable to the accounts.
  - b) Proper practice has been observed in compilation of accounts.
  - c) The Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

- C.2.20. The Council's accounts are scrutinised by external auditors, appointed by the Local Government Association (Public Sector Appointments Ltd), who must be satisfied that the statement of accounts present 'a true and fair view' of the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

### **Key controls**

- C.2.21. External auditors are appointed by the Local Government Association (Public Sector Appointments Ltd) normally for a minimum period of five years. The National Audit Office prepares guidelines which the external auditors follow when auditing the Council's statement of accounts. Under ISA (UK and I 265 (Communicating Deficiencies in Internal Control to those charged with Governance and Management)). External Audit can identify and report significant deficiencies in any internal controls directly to the Audit Committee and those charged with governance.

### **Responsibilities of Section 151 Officer**

- C.2.22. To draw up the timetable and issue guidance for final accounts purposes and to advise staff and external auditors accordingly.
- C.2.23. To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- C.2.24. To ensure there is effective liaison between internal and external audit services.

### **Responsibilities of directors and managers**

- C.2.25. To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purpose of their work.
- C.2.26. To ensure that all paperwork and systems are up-to-date and available for inspection.

### **c) Preventing Financial Irregularities**

#### **Why is this important?**

- C.2.27. The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the Council.
- C.2.28. The Council's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- C.2.29. The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) that it comes into contact with,

will act towards the Council with integrity and without thought or actions involving fraud and corruption.

### **Key controls**

C.2.30. The key controls regarding the prevention of financial irregularities are:

- a) The Council's Counter Fraud, Bribery and Anti-Corruption Strategy.
- b) The culture and tone of the council is one of honesty and opposition to fraud and corruption.
- c) That all members and staff act with integrity, and lead by example
- d) That all individuals and organisations associated in any way with the Council will act with integrity.
- e) That senior managers are required to deal swiftly and firmly with those who defraud the Council or who are corrupt.

### **Responsibilities of Section 151 Officer**

C.2.31. To maintain adequate and effective internal and external audit arrangements for the Council.

C.2.32. To ensure that financial irregularities are reported to the Head of Paid Service, Cabinet and the Council's Audit Committee.

C.2.33. To determine, in conjunction with the Head of Audit the scope of any internal enquiries or investigations, subject to consultation with the appropriate director or managers.

C.2.34. To decide, in consultation with the appropriate director or manager, whether any matter under investigation should be referred for police investigation and take recovery action as appropriate on such matters.

C.2.35. To keep the Head of Paid Service informed if a suspected irregularity occurs involving staff who are the responsibility of the Section 151 Officer.

C.2.36. To ensure in conjunction with the appropriate director managers, that the council's disciplinary procedures are followed where the outcome of an audit or other investigation indicates fraud or irregularity

### **Responsibilities of directors and managers**

C.2.37. To ensure that all suspected irregularities are reported to the Section 151 Officer and Head of Audit.

C.2.38. To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

### **C.3. RESOURCES: LAND, BUILDINGS, ICT, FIXED PLANT AND MACHINERY**

#### **a) Security**

#### **Why is this important?**

C.3.1. The Council holds assets in the form of property, vehicles, equipment, and other items worth many millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services and that there should be arrangements for the security of both assets and service operations.

#### **Key controls**

C.3.2. The key controls for the security of resources, such as land, buildings, fixed plant, ICT and machinery are:

- a) Budget holders obtain appropriate resources for the specified level of service delivery.
- b) Resources are acquired using an approved procurement process.
- c) Resources are used only for the purposes of the Council and properly accounted for.
- d) Resources are secured to be available for use when required.
- e) Resources no longer required are disposed of in accordance with the law and the rules of the Council so as to maximise benefits.

#### **Responsibilities of Section 151 Officer**

C.3.3. The S151 Officer shall keep an Asset Register which shall record all of the material capital assets owned by the Council together with their values. Assets shall be valued in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom (published by CIPFA). The Asset Register shall be kept up to date and in accordance with the requirements of the S151 Officer. Directors shall supply any information required in order to maintain the Register.

C.3.4. The S151 Officer shall maintain an up to date terrier of all land owned, leased or licensed by the Council and of land sold or leased off. The terrier must:

- a) record the purpose for which the land is held and;
- b) record the location, extent and plan reference of the land.

C.3.5. Directors shall supply any information required in order to maintain the Register.

C.3.6. To receive information from each budget holder required for accounting, costing and financial records.

C.3.7. To assist and advise, in consultation with the appropriate budget holder, the records to be maintained to ensure proper security and control of

premises, stocks, stores, equipment, cash and other items of significant value

### **Responsibilities of directors, managers and budget holders**

- C.3.8. The Head of Business Enterprise and Commercial Services shall maintain a property database for all properties. Any use of property by a budget holder other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of the use.
- C.3.9. To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Head of Business Enterprise and Commercial Services, in consultation with the Section 151 Officer and Head of Legal and Democratic, has been established as appropriate.
- C.3.10. To ensure the proper security of all buildings and other assets under their control.
- C.3.11. To periodically review land and buildings in order to identify any that may be surplus to business requirements.
- C.3.12. Where land or buildings are identified as surplus to requirements, a recommendation for the sale of land should be the subject of a report by the appropriate Director following advice from legal and financial services.
- C.3.13. Asset sales are required to follow the Disposals Protocol adopted by Property Services. Should a disposal of an asset not follow this standardised process, any request for disposal should be referred to the Section 151 Officer.
- C.3.14. Where the use of buildings or land is subject to appropriation between services, to refer the appropriation for approval by Cabinet, taking into account the alternative possible uses of the land.
- C.3.15. To pass the deeds to the Head of Legal and Democratic, who is responsible for custody of all title deeds.
- C.3.16. To ensure that no Council asset is subject to third party or personal use by an employee without proper authority.
- C.3.17. To ensure that the safe custody of vehicles, equipment, stock, stores and other property belonging to the Council.
- C.3.18. To ensure that the Directorate maintains a register of moveable assets in accordance with arrangements defined by the Section 151 Officer.
- C.3.19. To ensure that assets are identified, their location recorded and that they are appropriately security marked and insured.



- C.3.20. To consult the Section 151 Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- C.3.21. To ensure cash holdings on premises are kept to a minimum and do not exceed insurance limits, and to advise the Section 151 Officer where there may be an exception to this case.
- C.3.22. The disposal of all surplus equipment, stocks or stores expected to realise in excess of £5,000 should normally be by competitive tender or public auction unless, following consultation with the Section 151 Officer, Cabinet agrees otherwise. A record of all such disposals should be maintained.
- C.3.23. To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Section 151 Officer.
- C.3.24. To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Section 151 Officer.
- C.3.25. To ensure that all their employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

## **b) Inventories**

### **Why is this important?**

- C.3.26. The Council holds many different assets. It is important that these assets should be safeguarded and used efficiently in the delivery of services and that there should be arrangements for the security of both assets and service operations. Material capital assets shall be recorded in the asset register other significant assets shall be subject to inventory.

### **Key Controls**

- C.3.27. The key controls for the inventory of resources, such as land, buildings, fixed plant, ICT and machinery are:
- a) Inventories are maintained to record all significant resources that are not recorded in appropriate registers elsewhere.
  - b) Inventories are regularly reviewed and updated.

### **Responsibilities of Section 151 Officer**

- C.3.28. To advise on the form, layout and content of inventory records to be maintained by the Council.

### **Responsibilities of directors, managers and budget holders**



- C.3.29. To maintain inventories in a form approved by the Section 151 Officer to adequately record and describe fittings and equipment, plant and machinery under their control.
- C.3.30. To carry out an annual check of all items on the inventory in order to take action in relation to surpluses or deficiencies, annotating the inventory accordingly and reporting any material discrepancies to the Section 151 Officer.
- C.3.31. Attractive and portable items, such as computers, cameras and video recorders, should be identified with security markings as belonging to the Council and appropriately controlled and secured.
- C.3.32. To make sure that property is only used in the course of the Council's business unless the director or manager concerned has given permission otherwise.
- C.3.33. To seek Cabinet approval to the write-off of redundant equipment where individual items are valued in excess of £100,000.

### **c) Stocks and Stores**

#### **Why is this important?**

- C.3.32. The Council holds stocks and stores of goods in various locations throughout the authority. These stocks and stores are assets of the council which must be appropriately safeguarded from theft and spoiling.

#### **Key Controls**

- C.3.33. The key controls for the stocks and stores of resources are:
- a) Stocks and stores are held in environments appropriate to their value and type
  - b) Stocks and stores should be held at reasonable levels
  - c) Stocks and stores should be subject to independent checks, at least annually, and any discrepancies investigated.

#### **Responsibilities of Section 151 Officer**

- C.3.34. To advise on the arrangements for the care and custody of stocks and stores.

#### **Responsibilities of directors, managers and budget holders**

- C.3.35. To make arrangements for the care and custody of stocks and stores in their areas.
- C.3.36. To ensure stocks are maintained at reasonable levels and subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- C.3.37. To write-off discrepancies of up to £5,000.

- C.3.38. To authorise or write-off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and stores should be by competitive quotations or auction unless, following consultation with the Section 151 Officer, Cabinet decides otherwise in a particular case.
- C.3.39. To seek advice from Internal Audit on discrepancies above £5,000.
- C.3.40. A manager or director, with the agreement of the Section 151 Officer, can write off redundant stocks and stores between £5,001 and £100,000. Write off's over £100,000 require approval by Cabinet.

#### **d) Intellectual Property**

##### **Why is this important?**

- C.3.41. Intellectual property is a generic term that includes inventions and writings. If these are created by the employee during the course of employment, then as a general rule they belong to the employer, not the employee. Various Acts of Parliament cover different types of intellectual property.
- C.3.42. Certain activities undertaken within the Council may give rise to items which may be patentable. These are collectively known as intellectual property.

##### **Key controls**

- C.3.43. In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Council's intellectual property procedures.

##### **Responsibilities of Section 151 Officer**

- C.3.44. To develop and disseminate good practice through the Council's intellectual property procedures.

##### **Responsibilities of all managers**

- C.3.45. To ensure that there are no conflicts concerning staff conducting private work in Council time.

#### **C.4. ASSET DISPOSAL**

##### **Why is this important?**

- C.4.31. It would be unsatisfactory and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and rules of the Council.

##### **Key controls**

- C.4.32. Assets are disposed of at the most appropriate time, and only when it is in the best interests of the Council, and that the best price is obtained. For items of significant value, disposal should be by competitive tender or public auction and any funds realised should be corporately retained.

#### **Responsibilities of Section 151 Officer**

- C.4.33. To advise on best practice for disposal of assets.
- C.4.34. To ensure appropriate accounting entries are made.

#### **Responsibilities of directors and managers**

- C.4.35. To seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment.
- C.4.36. To ensure that income received for disposal of an asset is properly collected, banked and accounted for.

### **C.5. RISK MANAGEMENT AND INSURANCE**

#### **Why is this important?**

- C.5.31. All organisations, whether they are in the private or public sectors, face risks to people, property and continued operations. Risk is defined as the chance or possibility of loss, damage or injury caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk.
- C.5.32. Insurance has been the traditional means of risk transfer and protecting against loss, but this cannot be seen as the complete answer. By reducing or even preventing the incidence of losses (whether they result from crime or accident), the Council will benefit from reduced costs of providing insurance cover and will also avoid the disruption and wasted time caused by losses and insurance claims.
- C.5.33. It is the overall responsibility of Cabinet, jointly with the Council, to approve the Council's Opportunity Risk Management Strategy, and to promote a culture of risk management awareness throughout the Council. Monitoring of, and reporting on, the effectiveness of the Strategy is an essential part of the process.

#### **Key controls**

- C.5.34. The key controls for risk management and insurance are:
- a) Robust systems are in place to identify, assess, prevent or contain significant operational risks on an integrated basis, and these systems are promoted throughout the Council.
  - b) Acceptable levels of retained risk are identified and evaluated and arrangements are in place for their funding, either by internal provision or external insurance as appropriate.

- c) Managers know that they are responsible for managing relevant risks and are provided with appropriate and timely information on claims experience and risk management initiatives relating to their areas of responsibility.
- d) Procedures are in place to investigate and process claims within required timescales.
- e) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- f) All reports shall contain reference to any major risks which the item reported may have for the Council.

### **Responsibilities of Section 151 Officer**

- C.5.35. To prepare and promote the Council's Opportunity Risk Management Strategy and to advise Cabinet, directors and managers on risk management matters.
- C.5.36. Subject to any legal advice of the Monitoring Officer, to determine and effect appropriate corporate insurance cover, through external insurance and, or internal funding, and to negotiate all claims, in conjunction with other officers as necessary.
- C.5.37. To provide advice to the Council and Council Management Team on insurance matters.
- C.5.38. To include all appropriate employees of the Council in a suitable fidelity guarantee insurance.
- C.5.39. To offer insurance cover to schools in accordance with Fair Funding arrangements.
- C.5.40. To develop and implement risk management controls, monitoring and reporting arrangements in conjunction with other directors and managers.
- C.5.41. To oversee and ensure the preparation of the Council's Opportunity Risk Management Strategy in agreement with the Section 151 Officer and promote the Strategy throughout the Council.
- C.5.42. To review and report to Cabinet, directors and managers on the robustness of the financial arrangements of risk management and insurance.

### **Responsibilities of directors and managers**

- C.5.43. To notify the Section 151 Officer promptly of all new or increased risks, activities, properties or vehicles which require insurance and of any alterations affecting existing insurances.
- C.5.44. To notify the Section 151 Officer and the Monitoring Officer immediately, in writing or electronically, of any loss, liability or damage, or of any event, likely to lead to a claim against the Council, together with any

information or explanation required by the Section 151 Officer or the Council's insurers.

- C.5.45. To consult the Section 151 Officer and Monitoring Officer in respect of the terms of any indemnity which the Council is requested to give.
- C.5.46. To ensure that Council employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation which may prejudice the assessment of liability in respect of any claim against the council.
- C.5.47. To take responsibility for, and promote risk management, having regard to advice from the Section 151 Officer and other specialist officers (e.g. Risk and Insurance Manager, Risk Management Officer, Crime Prevention, Fire Prevention, Health and Safety).
- C.5.48. To ensure that there are regular reviews of risk within their Directorates / Services and to report at regular intervals (at least twice per year) to Cabinet, in conjunction with the Section 151 Officer, on the implementation and effectiveness of the Opportunity Risk Management Strategy.

## **C.6. TREASURY MANAGEMENT AND BANKING**

### **Why is this important?**

- C.6.31. Many millions of pounds pass through the Council's books each year. A few Councils have suffered high profile losses through inappropriate treasury management procedures. This led to the establishment of Codes of Practice. These aim to provide assurances that the Council's money is properly managed in a way which balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.
- C.6.32. The Council has adopted a Treasury Policy Statement based on the CIPFA Code of Practice for Treasury Management. All treasury operations are carried out in accordance with this Statement and the Code.

### **Responsibilities of Section 151 Officer**

- C.6.33. To arrange the borrowing and investment activities of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's Treasury Policy Statement.
- C.6.34. To prepare an Annual Treasury Strategy, for the forthcoming financial year, for approval by Council prior to the start of that financial year, including the determination of prudential indicators in accordance with the Prudential Code for Capital Finance 2003 (as amended). To report a Mid-Year Treasury Strategy and Annual Treasury Report to Council outlining the implementation and effectiveness of the Treasury Strategy. Subject to the foregoing, the Section 151 Officer is responsible for the

management of the Council's loan debt and for the investment of surplus funds.

- C.6.35. To manage, control and monitor the council's banking arrangements, including the opening and closing of such bank accounts as are considered necessary within the terms of the overall banking arrangement. Opening or closing any bank account shall only be undertaken by, or with the approval of, the Section 151 Officer. The title of any such bank accounts shall include the words "Shropshire Council".
- C.6.36. Cheques drawn on authorised imprest accounts, shall be ordered only on the authority of the Section 151 Officer, who shall make proper arrangements for their safe custody.

#### **Responsibilities of directors and managers**

- C.6.37. To comply with financial rules relating to banking arrangements and to follow the guidance on banking issued by the Section 151 Officer. To advise the Section 151 Officer of material amounts due to be credited or debited to the Council's bank accounts in order to enable efficient cash flow management.

### **C.7. INVESTMENTS AND BORROWING**

#### **Responsibilities of the Section 151 Officer**

- C.7.31. To ensure that all borrowings and investments are made in the name of the Council.
- C.7.32. To ensure that all securities in support of investments which are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in accordance with arrangements approved by the Section 151 Officer.
- C.7.33. To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council. They may also authorise the premature repayment of individual bonds and mortgages.
- C.7.34. All money in the hands of the Council shall be aggregated for the purpose of treasury management and shall be under the control of the Section 151 Officer as the officer designated for the purposes of Section 151 of the Local Government Act 1972.

#### **Responsibilities of directors and managers**

- C.7.35. To ensure that no loans are made to third parties and no interests are acquired in companies, joint ventures, or other enterprises without the approval of Council, following consultation with the Section 151 Officer.

## **C.8. UNOFFICIAL AND VOLUNTARY FUNDS AND FUNDS HELD FOR THIRD PARTIES**

### **a) General**

C.8.31. An unofficial or voluntary fund is defined, for the purpose of this rule, as any fund, other than an official fund of the Council, which is controlled, wholly or in part, by an officer by reason of their employment by the Council, or by the managers or governors of a school maintained by the Council.

### **Responsibilities of Section 151 Officer**

C.8.32. To arrange that all such funds are, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities or similar documents relating to the trust with the Section 151 Officer unless the deed otherwise provides. And to ensure that the Council has the right to inspect and audit such funds and the administrative systems underlying them and report on them as it sees fit.

C.8.33. To arrange, where funds are held on behalf of third parties, for their secure administration and maintain written records of all transactions and to ensure that the Council has the right to inspect and audit such funds and the administrative systems underlying them and report on them as it sees fit.

C.8.34. To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

C.8.35. Private fund monies should be kept separate from Council money. A separate bank account should be set up for each in the name of the fund, not that of an individual or the Council.

C.8.36. To maintain an up to date record of all voluntary funds administered by officers of the Council excluding school funds.

### **Responsibilities of directors and managers**

C.8.37. To ensure that all such funds are declared to them by the controlling officer(s) and that annual accounts, audited by suitably qualified auditors, are submitted within a reasonable time after the end of each accounting period, to the body responsible for the management or control of each fund.

C.8.38. To ensure that all officers acting as trustees by virtue of their official position shall deposit securities or similar documents relating to the trust with the Head of Legal and Democratic unless the deed otherwise provides.

C.8.39. To inform the Section 151 Officer of the names of all such funds and of their controlling officer(s) and managing body. Where the director or



managers so request, the Section 151 Officer shall advise on the suitability of the form of accounts and of the audit arrangements.

## **b) Court of Protection and Guardian ad Litem Administration**

### **Responsibilities of Section 151 Officer**

- C.8.40. To ensure there are appropriately documented processes and procedures in place to securely administer clients Court of Protection, Appointeeship or Guardian ad Litem accounts.
- C.8.41. To arrange for the system of administration and operation of these funds to be inspected and reported upon by Internal Audit.

### **Responsibilities of Director of Adult Services**

- C.8.42. To ensure a nominated chief officer has been identified to act as the Deputy to the Office of the Public Guardian.
- C.8.43. To ensure appropriate accounts are set up and managed in the name of the individual clients and that an annual statement of account is provided to the Court of Protection, Office of the Public Guardian where required and independently verified.
- C.8.44. To ensure that all accounts are administered in the most economical way for the benefit of the clients, this to include dealing with all income tax matters and other related issues such as welfare benefits.
- C.8.45. To deal with all property related matters for the absolute benefit of the client and to ensure that appropriate systems and procedures are in place to ensure client welfare.

## **c) Imprest Accounts**

### **Responsibilities of Section 151 Officer**

- C.8.46. Following consultations with directors and managers as appropriate, to provide officers of the Council with cash or bank imprest accounts to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts. These accounts must be operated in accordance with instructions issued by the Section 151 Officer. Minor items of expenditure should not exceed the prescribed amount.
- C.8.47. To maintain a record of all petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances. Requests to vary the advance must be put in writing or electronically by the director or manager to the Section 151 Officer.
- C.8.48. To reimburse imprest holders as often as necessary to restore the imprest balance but normally not more than monthly.



## **Responsibilities of directors and managers**

C.8.49. To ensure that all officers operating an imprest account:

- a) Obtain and retain vouchers to support each payment from the imprest account. Where appropriate an official receipted VAT invoice must be obtained.
- b) Make adequate arrangements in their office for the safe custody of the supporting records and cash.
- c) Produce upon demand by the Section 151 Officer and Head of Audit, cash and all vouchers to the total value of the imprest account
- d) Record transactions promptly.
- e) Reconcile and balance the account at least monthly, reconciliation sheets to be signed and retained by the imprest holder.
- f) Provide the Section 151 Officer with a certificate of the value of the account held at 31 March each year.
- g) Ensure that the imprest is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the imprest and change relating to purchases where an advance has been made.
- h) Ensure income due to the Council is banked or paid to the Council as provided elsewhere in these rules and not into the imprest account.
- i) On leaving the Council's employment or otherwise ceasing to be entitled to hold an imprest advance, account to the Section 151 Officer for the amount advanced to them.
- j) Do not allow any bank imprest account to become overdrawn.

## **C.9. STAFFING, INCLUDING GIFTS AND HOSPITALITY**

### **Why is this important?**

C.9.31. In order to provide the highest level of service, it is crucial that the council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level. An appropriate staffing strategy and policy should exist, in which staffing requirements and budget allocation should be matched.

### **Key controls**

C.9.32. The key controls for staffing are that:

- a) Procedures are in place for forecasting staffing requirements and cost.
- b) Procedures are in place for monitoring staffing expenditure against budget.
- c) Controls are implemented that ensure that staff time is used efficiently and benefit the Council.
- d) Every employee has a personal responsibility to be aware of and comply with the council's Official Gifts and Hospitality Policy set out in the Employees' Handbook.

## **Responsibilities of Section 151 Officer**

- C.9.33. To ensure that budget provision exists for all existing and new employees.
- C.9.34. To act as an advisor to directors and managers on areas such as National Insurance, pension contributions as appropriate.

**Responsibilities of directors and managers**

- C.9.35. To produce an annual staffing budget.
- C.9.36. To ensure that the staffing budget is an accurate forecast of their staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- C.9.37. To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- C.9.38. To ensure that the staffing budget is not exceeded and that it is managed to enable the agreed level of service to be provided within the directorate's services cash limit.
- C.9.39. To ensure that the Section 151 Officer is immediately informed if the staffing budget is likely to be materially over (or under) spent and costs cannot be controlled within cash limits.
- C.9.40. To ensure that they and their officers complete the register of interests maintained by the Monitoring Officer.
- C.9.41. To follow the Council's recruitment procedures
- C.9.42. To apply the Council's Capability procedures as appropriate.

## APPENDIX D: SYSTEMS AND PROCEDURES

In this Appendix:

D1	General
D2	Income.
D3	Payments to Employees, former Employees and Members
D4	Ordering and Paying for Work, Goods and Services
D5	Taxation
D6	Trading Accounts/Business Units

### D.1. SYSTEMS AND PROCEDURES: GENERAL

#### Why is this important?

- D.1.1. The Council has many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Directors, managers and budget holders are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions and data are properly processed and errors detected promptly.
- D.1.2. The Section 151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore be consulted in advance of any new developments or changes to systems and procedures.

#### Key controls

- Basic data exists to enable the council's objectives, targets, budgets and plans to be formulated.
- Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
- Early warning is provided of deviations from target, plans and budgets that require management attention.
- Operating systems and procedures are secure.

#### Responsibilities of Section 151 Officer

- D.1.3. To make arrangements for the proper administration of the Council's financial affairs, including to:
- Issue advice, guidance and procedures for the Council's officers and others acting on its behalf.
  - Determine the accounting systems, form of accounts and supporting financial records.
  - Establish arrangements for audit of the Council's financial affairs.
  - Approve any changes to be made to existing financial systems or new systems introduced.

## **Responsibilities of directors, managers and budget holders**

- D.1.4. To ensure that accounting records are properly maintained and held securely.
- D.1.5. To ensure that vouchers and documents with financial implications are not destroyed except in accordance with the Corporate Retention Policy
- D.1.6. To ensure that a complete management trail, allowing financial transactions to be traced from the original document to the accounting records, and vice versa, is maintained.
- D.1.7. To incorporate appropriate controls to ensure that, where relevant:
  - a) All input is genuine, complete, accurate, timely and not previously processed.
  - b) All processing is carried out in an accurate, complete and timely manner.
  - c) Output from the system is complete, accurate and timely.
- D.1.8. To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and minimise the risk of fraud or other malpractice.
- D.1.9. To ensure that there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- D.1.10. To ensure that systems are documented and staff trained in operations.
- D.1.11. To consult with the Section 151 Officer and Head of Audit before changing any existing system or introducing new systems.
- D.1.12. To consult with the Section 151 Officer and seek a departure from Financial Rules. This should be reported to the next meeting of Cabinet.
- D.1.13. To establish a scheme of delegation identifying officers authorised to act upon the directors' or managers behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- D.1.14. To supply lists of authorised officers, with specimen signatures and delegated limits to the Section 151 Officer, together with any subsequent variations.
- D.1.15. To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off-site, or in an alternative location within the building.
- D.1.16. To ensure that, where appropriate, computer systems are registered in accordance with the Data Protection legislation and that staff are aware of their responsibilities under the legislation.

- D.1.17. To ensure that relevant standards and guidelines for computer systems issued by the appropriate director and managers are observed.
- D.1.18. To ensure that computer equipment and software are protected from loss and damage through theft, vandalism etc.
- D.1.19. To comply with the copyright, designs and patents legislation and, in particular, ensure that:
- a) Only software legally acquired and installed by the Council is used on its computers.
  - b) Staff are aware of legislative provisions.
  - c) In developing systems, due regard is given to the issue of intellectual property rights.

## **D.2. INCOME**

### **Why is this important?**

- D.2.1. Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all of the income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cashflow and also avoids the time and cost of administering debts.

### **Key controls**

- D.2.2. The key controls for income are:

- a) All income due to the Council is identified and charged correctly in accordance with the approved scale of fees and charges.
- b) All income is collected in advance or at the point of service, unless the approval of the Section 151 Officer is given.
- c) All income is collected from the correct person, at the right time using the correct procedures and the appropriate stationery.
- d) All money received by an employee on behalf of the Council is paid intact and without delay to the Section 151 Officer or as he/she directs, to the Council's bank account, and is properly recorded.
- e) Effective action is taken to pursue non-payment within defined timescales
- f) Formal approval for write-off is obtained.
- g) Appropriate write-off action is taken within defined timescales.
- h) Appropriate accounting adjustments are made following write-off action.
- i) All appropriate income documents are retained and stored for the defined period in accordance with the "Corporate Retention Schedule"

### **Responsibilities of Section 151 Officer**

- D.2.3. To agree arrangements for the collection of all income due to the Council and approve the procedures, systems and documentation for its collection.
- D.2.4. To order and supply to departments all receipt forms, books or tickets and similar items and satisfy themselves regarding the arrangements for their control.
- D.2.5. To ensure that appropriate arrangements and guidance is in place to ensure the security and confidential destruction of all income collection records via credit, debit cards and purchase cards and to ensure the Council is complying with the latest Payment Card Industry Security Standards.
- D.2.6. To agree the write-off of bad debts up to £100,000 in each case and to refer larger sums to the appropriate Council bodies.
- D.2.7. To approve all debts to be written off and keep a record of all sums written off up to the approved limit.
- D.2.8. To obtain the approval of the Council body in consultation with the relevant Director or Head of Legal and Democratic, for writing off debts in excess of the approved limit.

#### **Responsibilities of directors and managers**

- D.2.9. To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and review it regularly, within corporate policies.
- D.2.10. To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable. This also to include ensuring the security and confidentiality of income received via credit and debit cards. Collection of income via credit and debit cards shall be in line with guidance issued by the Head of Finance, Governance and Assurance and in compliance with the Payment Card Industry Security Standards.
- D.2.11. To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts which are not paid promptly.
- D.2.12. To issue official receipts or maintain other documentation for income collection.
- D.2.13. To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- D.2.14. To hold securely receipts, tickets and other records of income, for the appropriate period.
- D.2.15. To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.

- D.2.16. To ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on to paying in slips to provide an audit trail.
- D.2.17. To ensure income is not used to cash personal cheques or make other payments.
- D.2.18. To supply the Section 151 Officer with details relating to work done, goods supplied or services rendered or other amounts due, to enable the Section 151 Officer to record correctly the sums due to the Council and to ensure accounts are sent out promptly. Directors and managers have a responsibility to assist the Section 151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- D.2.19. To keep a record of every transfer of official money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
- D.2.20. To recommend to the Section 151 Officer all debts to be written off and keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and, or billing of the original debt.
- D.2.21. To include in the regular Revenue Budget Monitoring report a schedule showing all the amounts written off.
- D.2.22. To write off and keep a record of all sums written off up to £5,000.
- D.2.23. In agreement with the Section 151 Officer, to approve the write off of individual amounts between £5,001 and £100,000, and amounts for an individual debtor that in total fit within this sum.
- D.2.24. To ensure that appropriate accounting adjustments are made following write-off action.
- D.2.25. To raise and authorise credit notes for factual inaccuracies or administrative errors in the calculation and/or billing of the original debt. It should be noted that credit notes will not be issued:
- for irrecoverable debts, as the formal write off procedure should be followed;
  - where the debtor cannot afford to pay at that time. The debt should remain, and revised payment terms agreed, as appropriate;
  - where a debt is to be recovered through deductions from payments. In such circumstances, the deductions made should be offset against the debtor.
- D.2.26. To notify the Section 151 Officer of any instalment plan agreed with debtors that will continue to accrue debt and hold the existing debt in abeyance.

D.2.27. To notify the Section 151 Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Section 151 Officer and not later than 30 April.

D.2.28. Schools have full powers of virement within the budgets delegated to them in accordance with the Council's Fair Funding Scheme.

### **D.3. PAYMENTS TO EMPLOYEES, FORMER EMPLOYEES AND MEMBERS**

#### **Why is this important?**

D.3.1. Employee costs are the largest item of expenditure for most Council services. It is therefore important that there should be controls in place to ensure that payments are made only where they are due for services to the Council and that payments accord with individual's contracts of employment and conditions of service.

#### **Key controls**

D.3.2. The key controls for payments to existing and former employees and members are:

a) Proper authorisation procedures and adherence to corporate timetables for:

- Starters.
- Leavers.
- Variations.
- Enhancements.

b) Frequent reconciliation of payroll expenditure against approved budget.

c) All appropriate payroll documents are retained and stored for the defined period in accordance with the "Corporate Retention Schedule".

#### **Responsibilities of the Head of Human Resources**

D.3.3. To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to eligible existing and former employees in accordance with procedures prescribed by him/her on the due date.

D.3.4. To record and control tax and other statutory and voluntary deductions.

D.3.5. To make arrangements for payment of all travel and subsistence claims or financial loss allowance



- D.3.6. To make arrangements for paying members travel or other allowances upon receiving the prescribed form duly completed and authorised.
- D.3.7. To provide advice and encouragement to secure payment of salaries and wages by most economical means.

### **Responsibilities of directors and managers**

- D.3.8. To ensure appointments are made in accordance with the rules of the Council and approved establishments, grades, scales of pay and that adequate budget provision is available for the current financial year and subsequent years.
- D.3.9. To notify the Head of Human Resources of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Head of Human Resources.
- D.3.10. To ensure that adequate and effective systems and procedures are operated for personnel and payroll aspects, so that:
  - a) Payments are only authorised to bona fide employees.
  - b) Payments are only made where there is a valid entitlement.
  - c) Conditions, service and contracts of employment are correctly applied.
  - d) Employees' details listed on the payroll are checked at regular intervals to verify accuracy and completeness.
  - e) There is an effective system of checking and certifying payroll forms.
  - f) Payroll forms are submitted in advance of payroll deadlines.
- D.3.11. To send an up-to-date list of the names of officers that can authorise records to the Head of Human Resources, together with specimen signatories.
- D.3.12. To ensure that payroll transactions are processed only through the payroll system. Directors and managers should give careful consideration to the employment status of individuals employed on a "self employed consultant or sub-contract" basis. The HM Revenue and Customs applies clear guidelines for employee status and in cases of doubt, advice should be sought from the Section 151 Officer.
- D.3.13. To certify travel and subsistence claims and other allowances on a monthly basis. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Section 151 Officer is informed where appropriate.
- D.3.14. To ensure that the details of any employee benefits in kind are notified to the Section 151 Officer to enable full and complete reporting within the Income Tax Self-Assessment system.

- D.3.15. To ensure that all appropriate payroll documents are retained and stored securely for the defined period in accordance with the “Corporate Retention Schedule”.

### **Responsibilities of Members**

- D.3.16. To submit claims for members’ travel and subsistence allowances on a monthly basis.

### **Responsibilities of Officers**

- D.3.17. To submit claims for Officers’ travel and subsistence allowances on a monthly basis.

## **D.4. ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

### **Why is this important?**

- D.4.1. Public money should be spent with demonstrable probity and in accordance with the Council’s policies. The Council’s procedures should help to ensure that services can receive value for money in their purchasing arrangements. These procedures should be read in conjunction with the Council’s Procurement Strategy and Contract Standing Orders.

### **General**

- D.4.2. Every officer and member of the Council has a responsibility to declare any links or personal interests which they may have with purchasers or suppliers and, or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council. The Monitoring Officer maintains a Register of Members’ Interests for this purpose and further advice is given in the Council’s Constitution (Part 5).
- D.4.3. Official orders must be in a form approved by the Section 151 Officer. Official orders must be issued for all work, goods or services to be supplied to the Council except for supplies of utilities, periodic payments such as rent or rates and petty cash purchases.
- D.4.4. Each order must conform with the directions of the Council on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior written approval of the Section 151 Officer and Head of Legal and Democratic.
- D.4.5. Apart from petty cash and schools’ own bank accounts, the normal method of payment of money due from the Council shall be by BACS or other instrument drawn on the Council’s bank account by the Section 151 Officer. The use of direct debit shall require the prior agreement of the Section 151 officer.
- D.4.6. Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.

D.4.7. Requisitions, orders and associated terms and conditions shall be issued for all works, supplies and services except for:

- a) Supplies of public utility services;
- b) Periodical payments, e.g. rent;
- c) Petty cash purchases;
- d) Software licences and insurances
- e) Other exceptions applied for via the exemption request guidelines and agreed and authorised in writing by the Section 151 Officer.

D.4.8. The use of purchase cards is only permitted through the Council's Procurement Card Scheme. No other form of purchase card is permitted.

### **Key controls**

D.4.9. The key controls for ordering and paying for work, goods and services are:

- a) All goods and services are ordered only by appropriate persons and recorded.
- b) All goods and services shall be ordered in accordance with the Council's Procurement Strategy and Contract Procedure Rules unless they are purchased from internal sources within the Council.
- c) Goods and services received are checked to ensure they are in accordance with the order.
- d) Payments are authorised by officers who can certify that goods have been received to price, quantity and quality.
- e) All payments are made to the correct person or entity, for the correct amount and are properly recorded.
- f) All appropriate payment documents are retained and stored for the defined period in accordance with the Council's 'Corporate Retention Schedule'.
- g) All expenditure including VAT, is accurately recorded against the right budget and any exceptions corrected.
- h) In addition, the effect of e-business, e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

### **Responsibilities of Section 151 Officer**

D.4.10. To ensure that all of the Council's financial systems and procedures are sound and well administered.

D.4.11. To approve any changes to existing financial systems and to approve any new systems before they are introduced.

D.4.12. To approve the form of official orders, and associated terms and conditions.

D.4.13. To make payments from the Council's funds on the directors or managers authorisation that the expenditure has been duly certified in accordance with Financial Rules.

- D.4.14. To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- D.4.15. To make payments where electronic matching of invoices within the Financial system has taken place once the authorised officer has approved and updated the system for receipt of the goods and services and the price matches or is below the order price.
- D.4.16. To make payments to contractors on the certificate of the appropriate director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D.4.17. To provide advice and encouragement on making payments by the most economic means.
- D.4.18. To approve, in exceptional circumstances advance payments to a supplier/ contractor for supplies or work. Following receipt of an Exemption Request (Appendix H) demonstrating why advanced payments are considered the only viable option in order to achieve service delivery. In addition to the requirements of the Exemption Request Guidance the request should cover how:
- a) Outcomes will be achieved, showing clear accountability for the outcomes and the management of the contract.
  - b) Sound, regular and effective financial management, governance and sustainability of the delivery body is to be reported upon and managed throughout the contract.
  - c) The body receiving the funds will demonstrate that it is using the money in a sustainable and transparent manner.
- D.4.19. To maintain a record of advanced payments and conduct periodic checks on them.

### **Responsibilities of directors and managers**

- D.4.20. To ensure that written and uniquely numbered orders are used for all goods and services other than the exceptions specified in D4.3 or where the Council's procurement card is used.
- D.4.21. To ensure that orders are only used for goods and services provided to the Council. Individuals must not use official orders to obtain goods or services for their private use.
- D.4.22. To ensure that only those staff authorised by them authorise orders and to maintain an up-to-date list of such authorised staff, identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained in accordance with Contract Procedure Rules. Value for money should always be taken into consideration in accordance with the Council's Procurement Strategy.

- D.4.23. To ensure that the budgetary control system (SAMIS) is maintained and enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports. Where Services maintain details of commitments on other systems, those systems must be reconciled with SAMIS on a monthly basis so as to protect the integrity of the Council's financial records.
- D.4.24. To ensure that goods and services are checked on receipt to ensure they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- D.4.25. To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment confirming:
- a) Receipt of goods or services (any evidence of receipt should be retained for 12 months).
  - b) That the invoice is addressed to Shropshire Council or the appropriate establishment such as a school.
  - c) That the invoice has not previously been paid, that expenditure has been properly incurred and is within budget provision.
  - d) That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices.
  - e) Correct accounting treatment of tax.
  - f) The invoice is correctly coded.
  - g) Discounts have been taken where available.
  - h) That appropriate entries will be made in accounting records.
- D.4.26. To ensure that an approved Exemption Request is in place for advance payments to a supplier/ contractor for supplies or work and that adequate records are maintained and scrutinised to justify the payments made.
- D.4.27. To ensure that an authorised member of staff, if possible a different officer from the person who authorised the order and in every case a different officer from the person certifying the invoice, authorises invoices.
- D.4.28. To ensure that the directors and managers maintain and review periodically a list of staff approved to certify and authorise invoices. Names of authorising officers together with details of the limits of their authority shall be forwarded to the Section 151 Officer.
- D.4.29. Payment should not be made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to the Head of Audit.
- D.4.30. To encourage suppliers of goods and services to receive payment by the most economical means for the Council. Payments should, however, not

be made by direct debit unless essential and with the prior approval of the Section 151 Officer.

- D.4.31. To ensure that the Council obtain best value for money from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the guidelines and best practices set out in the Council's Procurement Strategy and Contract Procedure Rules. These documents cover:
- a) Authorised officers and the extent of their authority.
  - b) Advertisement for tenders.
  - c) Procedure for creating, maintaining and revising a standard list of contractors.
  - d) Selection of tenderers.
  - e) Compliance with UK and EC legislation and rules.
  - f) Procedures for the submission, receipt, opening and recording of tenders.
  - g) The circumstances where financial or technical evaluation was necessary.
  - h) Procedures for negotiation.
  - i) Acceptance of tenders.
  - j) The form of contract documentation.
  - k) Cancellation clauses in the event of corruption or bribery.
  - l) Contract records.
- D.4.32. To ensure that employees are aware of the national code of conduct for local government employees and any locally adopted codes or rules relevant to employees' conduct.
- D.4.33. To ensure that no loans, leasing or rental arrangements are entered into without prior agreement from the Section 151 Officer. This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure value for money is being obtained.
- D.4.34. To notify the Section 151 Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Section 151 Officer and, in any case, not later than 30 April.
- D.4.35. With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Section 151 Officer and the appropriate director or manager, the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub-contractors' tax status.
- D.4.36. To notify the Section 151 Officer immediately of any expenditure to be incurred as a result of statute or court order where there is no budgetary provision.

- D.4.37. To ensure that all appropriate payment records are retained and stored for the defined period in accordance with the “Corporate Retention Schedule”.
- D.4.38. Where directors wish to initiate a payment to a third party without a supporting invoice, an official request for payment must be submitted in a form approved by the Section 151 Officer. Any such request must be authorised by an officer designated with an appropriate approval limit in the relevant service Scheme of Financial Delegation. They are responsible for ensuring that all payment details provided are accurate and that supporting records and documentation are available to substantiate the payment, including an official VAT receipt to all for the reclaim of any VAT element.
- D.4.39. Non-invoice payments should be requested on an exceptional basis only. Where payments of this type need to be made on a regular basis directors and senior managers must consider, in conjunction with the Section 151 Officer, other alternative options which may be more appropriate.
- D.4.40. Payments or reimbursements in respect of salaries and wages, travelling expenses or other employment allowances must be processed through the Payroll system and not treated as a non-invoice payment.

## **D.5. TAXATION**

### **Why is this important?**

- D.5.1. Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

### **Key controls**

- D.5.2. The key controls on taxation are:

- a) Budget holders are provided with relevant information and kept up-to-date on tax issues.
- b) Budget holders are instructed on required record keeping.
- c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
- d) Records are maintained in accordance with instructions.
- e) Returns are made to the appropriate authorities within the stipulated timescale.

### **Responsibilities of Head of Human Resources**

- D.5.3. To complete all HM Revenue and Customs returns regarding PAYE.

### **Responsibilities of Section 151 Officer**



- D.5.4. To complete a monthly return of VAT inputs and outputs to HM Revenue and Customs.
- D.5.5. To provide details to the HM Revenue and Customs regarding the Construction Industry Tax Deduction Scheme. To maintain up-to-date guidance for Council employees on taxation issues in the 'Accounting Manual' and the 'Tax Manual'. Responsibilities of directors and managers

#### **Responsibilities of directors, managers and budget holders**

- D.5.6. To ensure that the correct VAT liability is attached to all income and that all VAT recoverable on purchases complies with HM Revenue and Customs and Regulations.
- D.5.7. To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry requirements.
- D.5.8. To ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- D.5.9. To follow the guidance on taxation issued by the Section 151 Officer

### **D.6. TRADING ACCOUNTS/BUSINESS UNITS**

#### **Business Units**

#### **Why is this important?**

- D.6.1. Compulsory competitive tendering led to the establishment of business units who operate on a fully commercial basis in accordance with statutory requirements. The Council has also established business units to enable staff to prepare for future competition and to demonstrate explicitly that services are valued and provide value for money. Financial Rules apply equally to the Council's Business Units.

#### **Responsibilities of directors and managers**

- D.6.2. To consult with the Section 151 Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they are capable of being terminated within the main contract period without penalty.
- D.6.3. To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including



overhead costs, is charged, and an annual report in support of the final accounts.

- D.6.4. To ensure that similar accounting principles are applied in relation to trading accounts of other services or Business Units.
- D.6.5. To ensure that each Business Unit prepares an annual business plan.

## APPENDIX E: EXTERNAL ARRANGEMENTS

In this Appendix:

E1	Partnerships
E2	External Funding
E3	Work for Third Parties
E4	Accountable Bodies
E5	Payments to Voluntary Organisations
E6	Trading Accounts/Business Units

### E.1. PARTNERSHIPS

#### Why is this important?

- E.1.1. The days of the all-purpose council that plans and delivers everything are over. It is in partnership with others - public agencies, private companies, community groups and voluntary organisations - that the future of local government lies. Local authorities will deliver some services, but their distinctive leadership role will be to bring together the contributions of the various stakeholders. They will need to deliver a shared vision of services by bringing cohesion and co-ordination to the fragmentation of local interests.
- E.1.2. Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what, in partnership with others, they achieve.

#### PARTNERSHIPS - GENERAL

- E.1.3. The main reasons for entering into a partnership are:
- a) The desire to find new ways to share risk.
  - b) The ability to access new resources.
  - c) To forge new relationships.
- E.1.4. A partner is defined as either:
- a) An organisation (private or public) undertaking, part funding or participating as a beneficiary in a project  
or
  - b) A body whose nature or status gives it a right or obligation to support the project.
- E.1.5. Partnerships can exist in varying forms:
- a) Formal Partnerships.
  - b) Non-Formal Partnerships.
  - c) Statutory or Obligatory Partnerships.
  - d) Joint Commissioning.

E.1.6. Partners participate in projects by:

- a) Acting as a project deliverer or sponsor, solely or in concert with others.
- b) Acting as a project funder or part funder.
- c) Being the beneficiary group of the activity undertaken in a project.

E.1.7. Partners have common responsibilities:

- a) To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation.
- b) To act in good faith at all times and in the best interests of the partnership's aims and objectives.
- c) Be open about any conflict of interests which might arise.
- d) To encourage joint working between themselves, promote the sharing of information, resources and skills between public, private and community sectors.
- e) To hold confidentially any information received, as a result of partnership activities or duties, that is of a confidential or commercially sensitive nature.
- f) To act wherever possible as ambassadors for the project.

### **Key controls**

E.1.8. The key controls for Council partners are:

- a) To be aware of their responsibilities under the Council's Financial Rules and Contract Procedure Rules.
- b) To ensure risk management processes are in place to identify and assess all known risks.
- c) To ensure project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
- d) To agree the roles, responsibilities and accountabilities of each of the partners involved in the project before the project commences.
- e) To communicate regularly with other partners throughout the project so that problems can be identified and resolved.
- f) A statement of the aims and objectives of the partnership.
- g) A shared ownership of strategy.
- h) Sound financial management, with clear procedures for determining the financial liabilities of each partner.
- i) Performance management arrangements between individual organisations and the partnership.
- j) A clear operational timescale with a clear exit strategy that allows the partnership to be discontinued or, if exit is not appropriate, a continuation strategy.

### **Responsibilities of Section 151 Officer**

E.1.9. To advise on effective controls which will ensure that resources are not wasted.

E.1.10. To advise on the key elements of funding a project:

- a) Scheme appraisal for financial viability.
- b) Resourcing, including taxation issues.
- c) Carry forward arrangements.
- d) Risk appraisal.
- e) Audit requirements.

### **Responsibilities of directors and managers**

- E.1.11. To ensure that the approval of Cabinet is obtained before any negotiations are concluded on partnership arrangements.
- E.1.12. To maintain a register of all partnership arrangements entered into in accordance with procedures specified by the Section 151 Officer.
- E.1.13. To provide appropriate information to the Section 151 Officer to enable a note to be entered into the statement of accounts.

## **E.2. EXTERNAL FUNDING**

### **Why is this important?**

- E.2.1. As local authorities are encouraged to provide 'seamless' service delivery through working closely with other agencies and private service providers, the scope for external funding has increased.

### **Key controls**

- E.2.2. To ensure that key conditions of funding and that any statutory requirements are complied with. To ensure that external funding is only accepted where the financial implications of the agreement are clear and where the agreement provides value for money for the council.

### **Responsibilities of Section 151 Officer**

- E.2.3. To sign off any external funding agreements with the funding body, with due regard to key controls. To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.

### **Responsibilities of directors and managers**

- E.2.4. To ensure that the Section 151 Officer has signed off funding agreements before any monies are received and applied.
- E.2.5. To ensure that all claims for funds meet key conditions and are made by the due date.

### **E.3. WORK FOR THIRD PARTIES**

#### **Why is this important**

- E.3.1. Current legislation enables the Council to provide a range of services to other bodies. Such work may enable the unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risk associated with this work is minimised.

#### **Key controls**

- E.3.2. To ensure that proposals are properly costed in accordance with guidance provided by the Section 151 Officer.
- E.3.3. To ensure that contracts are drawn up using guidance provided by the Section 151 Officer and that the formal approvals process is adhered to.

#### **Responsibilities of directors and managers**

- E.3.4. To ensure that the approval of Cabinet is obtained before any negotiations are concluded to work for third parties.
- E.3.5. To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Section 151 Officer.
- E.3.6. To ensure that appropriate insurance arrangements are made.
- E.3.7. To ensure that the Council is not put at risk from any bad debts.
- E.3.8. To ensure that no contract is subsidised by the Council.
- E.3.9. To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- E.3.10. To ensure that the Directorate has the appropriate expertise to undertake the contract.
- E.3.11. To ensure that such contracts do not impact adversely upon the services provided for the Council.
- E.3.12. To ensure that all contracts are properly documented.
- E.3.13. To provide appropriate information to the Section 151 Officer to enable a note to be entered into the statement of accounts.

## **E.4. ACCOUNTABLE BODIES**

### **Why is this important**

- E.4.1. Where the Council is involved in delivering services jointly with other groups or partnerships, either the Council or one of the partner members (if it is a legal entity) can act on behalf of the partnership as the accountable body. The Council is currently the accountable body for a number of partnerships including the Marches Local Enterprise Partnership. Where the Council is the accountable body proper systems of financial administration and control should be put in place for administering and accounting for any funds received and distributed.

### **Key Controls**

- E.4.2. To ensure that the Section 151 Officer approves all instances where the Council is to become the accountable body, that full details are provided of what this work actually involves and that Cabinet grants approval to become the accountable body.
- E.4.3. That a record is maintained of all activities where the Council is acting as the accountable body.

### **Responsibilities of the Section 151 Officer**

- E.4.4. To provide guidance and advice on the setting up and accounting arrangements to be put in place for all activities where the Council has taken on responsibility of acting as the accountable body.

### **Responsibilities of directors and managers**

- E.4.5. To advise and seek the approval of the Section 151 Officer where the Council commits or agrees to be the accountable body and ensure that a report is produced for Cabinet approval.
- E.4.6. To ensure that any funding received and expenditure made is administered and accounted for in line with the financial and contract procedure rules.
- E.4.7. To ensure that the Council does not enter into any commitments or contracts until all funding for the project/activity is fully received.
- E.4.8. To establish and maintain effective systems for auditing and monitoring expenditure.
- E.4.9. To ensure that in the cases where an independent audit certificate is required that the funds made available to the accountable body have been spent in accordance with the terms of the grant agreement and that a proper audit trail is maintained with appropriate records and copy invoices to support the grant claim.
- E.4.10. To ensure all supporting records are maintained in line with the guidance issued in the Corporate Retention Schedule.

## **E.5. PAYMENTS TO VOLUNTARY ORGANISATIONS**

### **Why is this important**

- E.5.1. The Council works with a number of voluntary, community and social enterprise (VCSE) providers to deliver Council services. However many VCSE providers do not carry sufficient reserves, either at all or permitted to be used, to fund working capital to enable them to deliver the service they are contracted to do prior to receiving payment.

### **Key controls**

- E.5.2. To ensure that payments in advance for VCSE providers are only made where a service contract is drawn up and approved by a director in liaison with the Section 151 Officer.
- E.5.3. Payments in advance for VCSE providers must only be made for service delivery costs and payments agreed for no more than five working days in advance of the VCSE incurring the service delivery costs.

### **Responsibilities of the Section 151 Officer**

- E.5.4. To provide guidance and advice on the setting up and accounting arrangements to be put in place for all approved payments to voluntary providers.

### **Responsibilities of directors and managers**

- E.5.5. To ensure that advance payments made to VCSE providers are only made to organisations that are operating in Shropshire and that are signed up to the Shropshire Compact through membership of the Shropshire VCSA.
- E.5.6. Any payments to VCSA providers not covered under the provisions of E.4.5 must be referred to the Section 151 Officer for consideration.
- E.5.7. To ensure that the VCSA provider submits evidence of expenditure incurred and documentation is retained in line with the Corporate Retention Schedule.

## Appendix F Table of Financial Limits

### Financial Rules

This table shows at a glance the amounts presently approved in Financial Rules. Application of these amounts shall be made in compliance with the Financial Rules.

Ref.	Rule	Present Amount
3.26	The value up to which nominated staff are authorised to <b>sign contracts</b> on behalf of the Council	£140,000
A2.21	Where proposed <b>virements</b> are expected to exceed this figure, to prepare jointly with the Section 151 Officer a report to Council	£1,000,000
A2.21	Where proposed <b>virements</b> are expected to be between these figures, the director or manager must prepare jointly with the Section 151 Officer a report to Cabinet	Over £500,000 to £1m
A2.21	Where proposed <b>virements</b> are expected to be from salaries budgets, the director or manager must prepare jointly with the Section 151 Officer a report to Cabinet	All
A2.23 B2.39	To formally report all <b>virements</b> to the Section 151 Officer for inclusion on a register and for their reporting to Cabinet for information	£140,000 to £500,000
A2.24 B2.46	The amount up to which a director or manager with the approval of the Section 151 Officer, may exercise <b>virements</b> on budgets within or outside of their control within a policy area, on any one budget head during the year subject to conditions set out in Financial Rules.	£500,000
B2.47	The amount above which the director or manager, shall prepare and submit monthly joint reports with the Section 151 Officer for Cabinet's approval of variations in <b>capital project</b> contract costs	In excess of 5% of the current scheme budget or £5,000, whichever is greater.

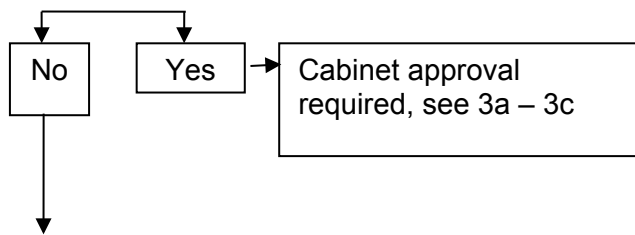


Ref.	Rule	Present Amount
B2.48	The amount above which the director or manager, shall prepare and submit joint reports with the Section 151 Officer for Cabinet's approval of <b>capital projects</b> , where the final expenditure exceeds the approved contract sum.	In excess of 5% of the current scheme budget or £5,000, whichever is greater.
C3.22	Level above which <b>disposal of surplus equipment, stocks or stores</b> should be by competitive tender or public auction and records maintained.	£5,000
C3.38	Level above which the <b>individual disposal of redundant surplus equipment</b> should be approved by Cabinet.	£100,000
C3.35	Level below which discrepancies can be <b>written off</b> .	£5,000
C3.37	Level above which Internal Audit advice shall be sought on discrepancies.	£5,000
C3.38	Levels between which approval is sought to write off redundant stocks and stores with the agreement of the Section 151 Officer.	£5,000 to £100,000
D2.6	Level up to which the <b>write off of bad debts</b> is agreed by the Section 151 Officer.	£100,000
D2.6	Level above which the <b>write off of bad debts</b> is referred to the appropriate Council body by the Section 151 Officer.	£100,000
D2.22	Level below which write offs can be undertaken.	£5,000
D2.23	Levels between which approval of the Section 151 officer is required to write off individual amounts, or totalled amounts of an individual debtor.	£5,000 to £100,000

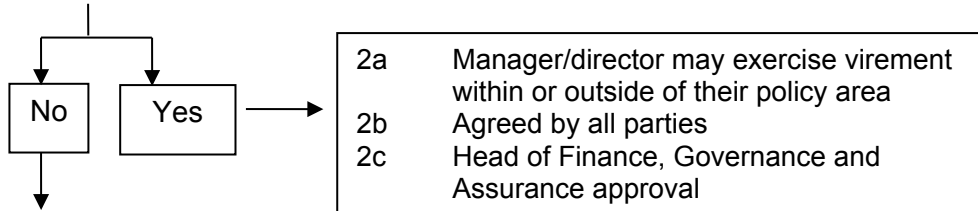
## Appendix G: Scheme of Virement flowcharts Revenue and Capital

### Proposed

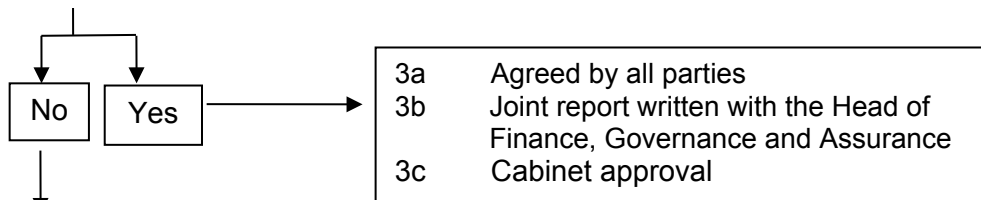
1. Is it from a salaries budget?



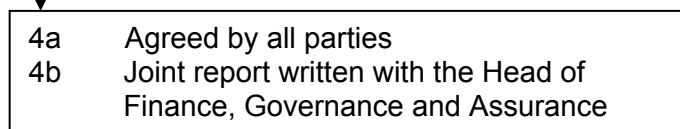
2. Is it less than £500,000?



3. Is it greater than £500,000 but less than £1m?



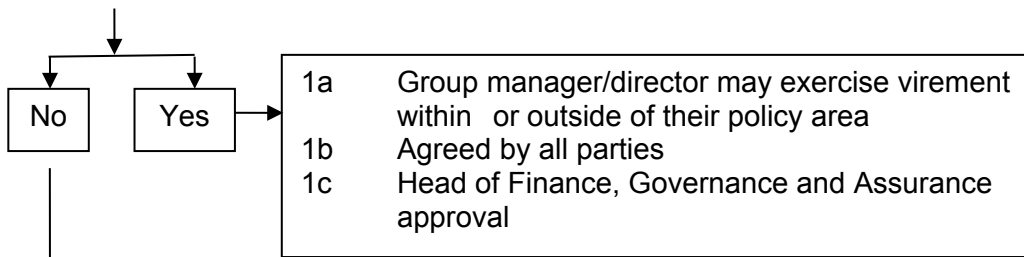
Greater than £1m



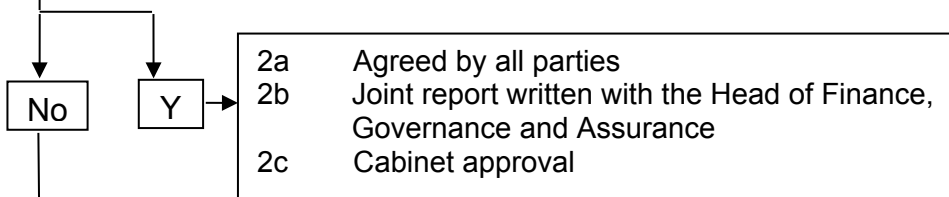
**SCHEME OF VIREMENT**  
**(CAPITAL)**

**Proposed Virement**

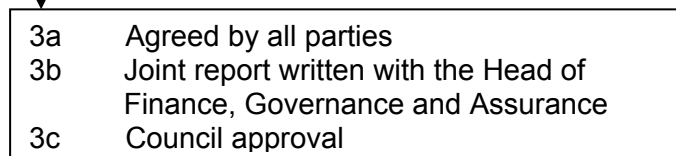
1. Is it less than £500,000?



2. Is it greater than £500,000 but less than



3. Greater than



## **Appendix H: Exemption Request Guidelines**

Periodical review of the Financial Rules helps to ensure that they are robust and appropriate in our ever changing work environment. However, situations may arise where an exemption is appropriate.

If you require an exemption to the rules to be considered then the following procedure should be followed.

An email entitled “FINANCE RULES – EXEMPTION REQUEST” should be sent to the S151 officer (copied to the deputy S151 Officer and [corporate.finance@shropshire.gov.uk](mailto:corporate.finance@shropshire.gov.uk)) with the following content:

**The Relevant Rule(s):**

*A note of the relevant rule(s) against which an exemption is requested*

**The Situation:**

*An explanation of the situation which is giving rise to the exemption request*

**The Exemption Scope:**

*A description of the extent to which the exemption is requested.*

**Implications of not granting an exemption:**

*A description of the consequences of not granting an exemption.*

**Benefits to granting the exemption:**

*A description of the benefits to the authority as a result of granting the request.*

**Risks to granting the exemption:**

*A note of the risks arising from granting the exemption.*

**Ongoing accountability and assurance:**

*An explanation of how the risks noted above will be mitigated and how accountability will be upheld in the event that the exemption is granted.*

Unless all of the above points have been addressed, it is unlikely that your request will be considered. You should expect to receive a response to your request within four weeks.



Committee and date  
Council

20 July 2017

10.00am

## FINANCIAL OUTTURN 2016/17 (REVISED)

**Responsible Officer** James Walton

Email: [james.walton@shropshire.gov.uk](mailto:james.walton@shropshire.gov.uk)

Tel: (01743) 258915

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### 1. Summary

- 1.1 Following work to produce the draft Statement of Accounts for the Council as at 31 March 2017, an error was identified in the matching of Housing Benefit Subsidy Grant and expenditure. A decision was taken to amend the Council's accounts to correct this error, which resulted in a minor net variation to the final Financial Outturn position of £0.129m. This report reflects all necessary changes as a result of this amendment, which are minor and have no material impact. It was decided, however, to resubmit the entire corrected report to Cabinet so that a final and unambiguous copy of this important report is approved by Cabinet for future reference.
- 1.2 This report provides details of the revenue and capital outturn position for Shropshire Council for 2016/17 and provides a summary of:
  - The revenue outturn for each service area with a commentary of the main variations and an outline of how the position has changed since Quarter 3.
  - The movements in the Council's General Fund balance.
  - The Council's reserves and provisions.
  - The capital outturn for each service area with a commentary of the main variations and the budget slipped for 2017/18.
- 1.3 The Council's revenue position for 2016/17 has improved by £0.670m when compared to projections made at Quarter 3 resulting in a net underspend of £0.894m, a variance of 0.16% on the gross budget. This improvement has been delivered as a result of variances across a number of Council services although the majority of these are not within the base budget and therefore will not be available to reduce the funding gap in future years. Funds to deliver the Digital Transformation Programme, other developments and Invest to Save initiatives are now confirmed or increased for 2017/18 and beyond, although the final £0.894m underspend for 2016/17 is currently assumed to be added to General Fund Balance.
- 1.4 The outturn capital expenditure for 2016/17 is £44.986m, representing 83% of the re-profiled budget of £54.432m. £9.288m of the underspend has been slipped to the 2017/18 programme, the balance has been removed from the programme.

## **2. Recommendations**

It is recommended that Members:

- A. Note that the Outturn for the Revenue Budget for 2016/17 is an underspend of £0.894m, this represents 0.16% of the original gross budget of £568.8m.
- B. Note that the level of general balance stands at £14.698m, which is above the anticipated level.
- C. Note that the Outturn for the Housing Revenue Account for 2016/17 is an underspend of £1.417m and the level of the Housing Revenue Account reserve stands at £9.031m (2015/16 £5.824m).
- D. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £2.508m in 2016/17.
- E. Note that the level of school balances stand at £6.280m (2015/16 £7.173m).
- F. Approve net budget variations of £0.481m to the 2016/17 capital programme, detailed in Appendix 5/Table 6 and the re-profiled 2016/17 capital budget of £54.432m.
- G. Approve the re-profiled capital budgets of £80.529m for 2017/18, including slippage of £9.288m from 2016/17, £26.081m for 2018/19 and £2.320m for 2019/20 as detailed in Appendix 5 /Table 9.
- H. Accept the outturn expenditure set out in Appendix 5 of £44.986m, representing 83% of the revised capital budget for 2016/17.
- I. Approve retaining a balance of capital receipts set aside of £18.370m as at 31st March 2017 to generate a one-off Minimum Revenue Provision saving of £0.418m in 2017/18.

## **REPORT**

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

- 3.1 Details of the potential risks affecting the balances and financial health of the Council are detailed within the report. Each variation from budget is also RAG rated to confirm the level of risk to the Council's balances.

### **4. Financial Implications**

- 4.1 This report is based on the financial outturn of the Council's revenue and capital budget for 2016/17 and therefore considers the effect that the underspend has on the Council's balances.

### **5. Background**

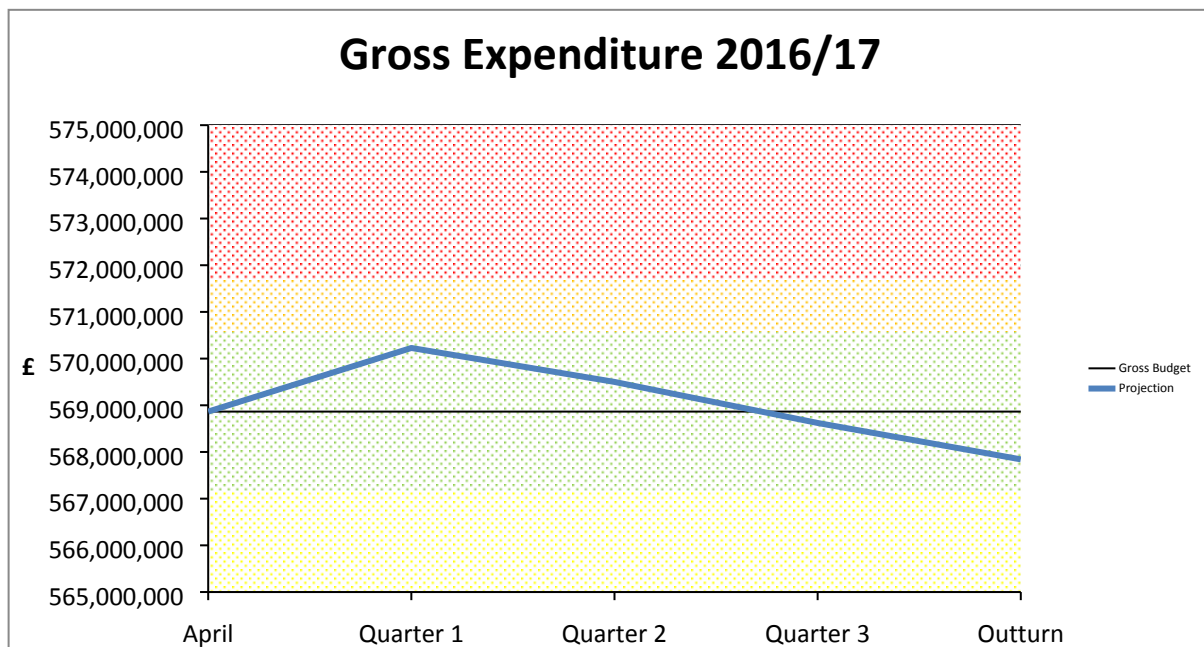
- 5.1 Cabinet has received quarterly monitoring reports on the revenue and capital budget during the course of the year. This has meant that Service Areas have identified problem areas as they have arisen and management have been able to take the action necessary to deal with the issues arising.

### **6. Revenue Outturn Position**

- 6.1 The final outturn for 2016/17 shows overall net revenue expenditure of

£203.633m and an underspend of £0.894m. The overall position for Service areas and Schools' balances is detailed below.

	£000
Original Budget	204,527
Outturn for 2016/17	203,633
<b>Underspend for 2016/17</b>	<b>(894)</b>



- 6.2 The underspend of £0.894m for 2016/17 is presented below by Service Area. End of year entries include items of non-controllable spend (e.g. depreciation) that are not included within service projections throughout the year. To enable comparison with previous monitoring reports, the non-controllable element of spend has been excluded from the figures presented below to enable a direct comparison to be made between controllable spend at year end, and projections made throughout the year

**Table 1: 2016/17 Budget Variations Analysed by Service Area (£'000)**

Service Area	Revised Budget £'000	Controllable Outturn £'000	Controllable (Under) / Overspend £'000	RAGY Classification
Adult Services	86,439	86,052	(387)	Y
Children's Services	50,814	52,316	1,502	R
Place & Enterprise	79,411	78,932	(479)	Y
Public Health	6,963	6,550	(413)	Y
Resources & Support	2,924	2,128	(796)	Y
Corporate	(22,024)	(22,345)	(321)	Y
<b>TOTAL</b>	<b>204,527</b>	<b>203,633</b>	<b>(894)</b>	<b>Y</b>

6.3 The outturn position has improved by £0.670m since Quarter 3 as a result of further underspends achieved across all service areas within the Council. The most significant changes were in the following areas:

- (£0.680m) Waste - increased income as a result of the successful introduction of the incinerator
- (£1.020m) Corporate – Release of corporate contingency budgets identified as not required at year end.

Offset by:

- £0.740m Environmental Maintenance – significant additional expenditure on vehicle maintenance, reactive safety works, settlement of commercial claims and other areas.

Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

## 7. General Fund Balance

7.1. The effect on the Council's Reserves of the outturn position is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2016/17 the minimum balance required is £2.844m. The General Fund Balance as at 31<sup>st</sup> March 2017 is shown in Table 2 below:

**Table 2: General Fund Balance as at 31 March 2017**

	(£'000)
General Fund Balances as at 1 April 2016	18,370
Transfer to Financial Strategy Reserve	(5,000)
Transfer from Major Planning Inquiries Reserve	504
Under recovery of insurance costs	(70)
2016/17 Revenue Outturn	894
<b>General Fund Balance at 31 March 2017</b>	<b>14,698</b>

7.2. The General Fund Balance at 31 March is above the level anticipated and lies above the risk based target for 2016/17 which stands at £12.325m.

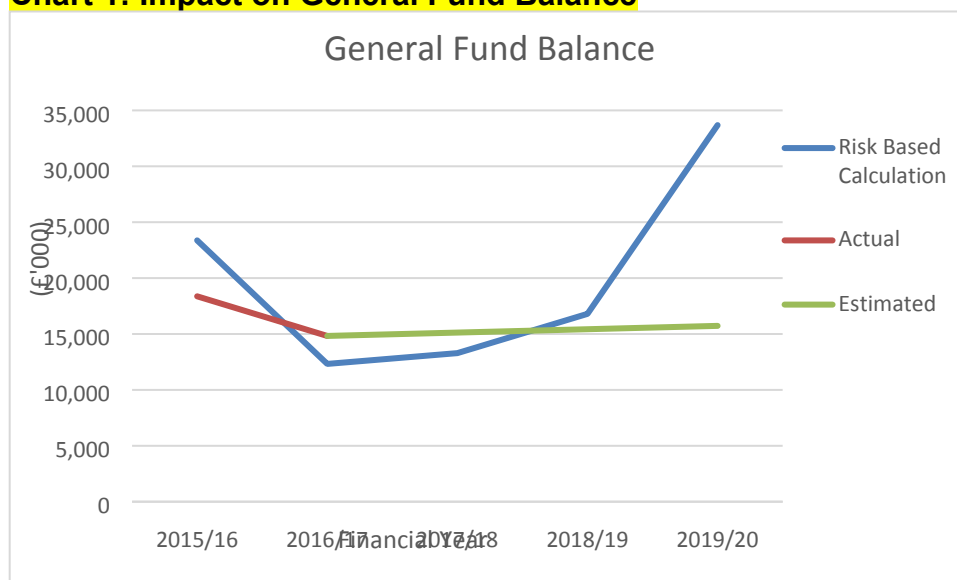
7.3. The council's historic policy is to hold general fund balances of between 0.5% and 2% of the gross revenue budget, however this can only be considered to be a guide in the current financial environment. The General Fund Balance of £14.698m now falls above this policy level. This is considered appropriate given the risk based general fund calculation for 2017/18 of £13.29m, which



then increases significantly to £16.801m in 2018/19 and £33.68m in 2019/20 (as agreed by Council in February 2017) and the significant level of savings required in the budget strategy for 2017/18 and in future years. At this time, there is insufficient available funding to provide additional contributions into the General Fund Balance to ensure the Council achieves the risk based target in 2017/18 and in the following 2 years. Therefore the risk arising from this will need to be tolerated with mitigating actions and the potential gap between the Risk Based target and projected General Fund Balance will be closely monitored and reported through to Cabinet if it becomes apparent that the projected balance is insufficient.

- 7.4. Chart 1 below identifies how the current and estimated General Fund Balance compares to the risk assessed requirements approved by Council in February 2017. There is an assumption (based on historic outturns over the last 4 years) that a small underspend (£0.3m) can be achieved each year as a contribution. The large rise in the risk based calculation for General Fund Balance in 2019/20 is primarily due to the known funding gap in that year which is not yet addressed, as described within the Financial Strategy.

**Chart 1: Impact on General Fund Balance**



## 8. Housing Revenue Account (Appendix 2)

- 8.1 The Housing Revenue Account (HRA) outturn for 2016/17 shows an underspend of £1.417m against gross turnover (7.9%) which has mainly arisen due to increased rent income from faster turnaround on voids and collection rate exceeding target, and a reduced depreciation charge from a change of accounting policy to component based depreciation on the Council dwellings, with a corresponding reduction in the contribution to the Major Repairs Reserve.
- 8.2 The underspend, together with the budgeted surplus, takes the closing balance on the HRA Reserve to £9.032m which represents a contingency of £2,204 per dwelling. Part of this funding, will however be use as part of the HRA New Build Programme to provide further new affordable housing.

- 8.3 The HRA also holds the Major Repairs Reserve which is an earmarked reserve required to meet the costs of major repairs on the Council's housing stock. The reserve has reduced in 2016/17 to £2.369m which reflects the lower level of depreciation charge during the year, from the revised component based calculation.

## 9. Reserves and Provisions (Appendix 4)

- 9.1 The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 9.2 The overall position for reserves and provisions is set out in the Statement of Accounts 2016/17, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council's final Statement of Accounts is produced. The change in revenue reserves and provisions are detailed in table 3 below.

**Table 3: Movement in Reserves and Provisions 2016/17**

Balance Held	Reserves £000	Provisions £000	Bad Debt Provisions £000	Total Reserves & Provisions £000
As at 31 March 2016	60,841	11,675	10,461	82,977
As at 31 March 2017	63,859	9,815	11,811	85,485
<b>Increase/(Decrease)</b>	<b>3,018</b>	<b>(1,860)</b>	<b>1,350</b>	<b>2,508</b>
Delegated School Balances Movement	(893)	0	0	(893)
<b>Increase/(Decrease) (excluding Delegated School Balances)</b>	<b>2,125</b>	<b>(1,860)</b>	<b>1,350</b>	<b>1,615</b>

- 9.3 In accordance with the financial strategy the Council will be using one off funding to close the funding gap between 2017/18 and 2019/20. This will result in the Financial Strategy Reserve reducing to £0.500m by 2019/20. Other Earmarked Reserves are expected to fall over the coming years for a number of reasons. It is difficult to project use with any accuracy but balances would not be expected to fall to below £18m in the long term. The estimated future

balances on earmarked reserves are as shown in table 4 below:

**Table 4: Estimated Future Balances on Earmarked Reserves**

<b>£'000</b>	<b>Balance c/f</b>	<b>Estimated Closing Balance</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Financial Strategy Reserve	28,601	22,717	10,283	500
Other Earmarked Reserves	35,258	29,277	23,296	17,315
Provisions	21,626	21,626	21,626	21,626
<b>Total</b>	<b>85,485</b>	<b>73,620</b>	<b>55,205</b>	<b>39,441</b>

### **Delegated School Balances**

9.4 The movement in delegated schools' balances are detailed in table 5 below.

**Table 5: Movement in delegated schools' balances 2016/17**

	<b>2015/16</b>	<b>2016/17</b>	<b>Increase/ (Decrease)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Schools:</b>			
- Revenue Balances	5,511	4,801	(710)
- Invested Balances	1,136	996	(140)
- Extended Schools Grant Balance	749	699	(50)
<b>Sub Total within Schools</b>	<b>7,396</b>	<b>6,496</b>	<b>(900)</b>
Purchasing IT equipment	(155)	(185)	(30)
Carbon efficiency measures	(68)	(31)	37
<b>Total Delegated School Balances</b>	<b>7,173</b>	<b>6,280</b>	<b>(893)</b>

9.5 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 125 schools, 116 schools have surplus balances and 9 have deficit balances.

9.6 The Extended Schools Grant allocations for schools are paid over during 2016/17, however as the balance will not be fully committed until the end of the school academic year, these balances have been ringfenced to each individual school within School Balances.

9.7 Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2016/17 £0.185m of the £6.496m was being used in this way.

9.8 School balances have also been used to fund carbon efficiency measures within schools. At the end of 2016/17, £0.031m of the £6.496m was used for this purpose.

## 10. Original and final Capital Programme for 2016/17

- 10.1 The capital budget for 2016/17 is subject to change, the largest element being slippage from 2015/16 and re-profiling into future years. In Quarter 4 there has been a net budget decrease of £0.481m, compared to the position reported at Quarter 3. Table 6 summarises the overall movement, between that already approved, and changes for Quarter 4 that require approval.

**Table 6: Revised Capital Programme Quarter 4 2016/17**

Service Area	Agreed Capital Programme - Council 25/02/16	Slippage and budget changes approved to Quarter 3 2016/17	Quarter 4 budget changes to be approved	Revised 2016/17 Capital Programme Quarter 4
<b>General Fund</b>				
Place & Enterprise	36,978,211	(1,900,156)	390,020	35,468,075
Adult Services	2,019,000	1,205,725	-	3,224,725
Public Health	-	675,942	-	675,942
Children's Services	9,303,765	(1,189,251)	56,045	8,170,559
Resources & Support	220,000	222,770	-	442,770
<b>Total General Fund</b>	<b>48,520,976</b>	<b>(984,970)</b>	<b>446,065</b>	<b>47,982,071</b>
<b>Housing Revenue Account</b>	7,347,311	(932,526)	35,310	6,450,095
<b>Total Approved Budget</b>	<b>55,868,287</b>	<b>(1,917,496)</b>	<b>481,375</b>	<b>54,432,166</b>

- 10.2 Full details of all budget changes are provided in Appendix 5 to this report. A summary of the significant changes for 2016/17 and future years are detailed below:

### Budget Increases

- New allocation of funding of £3.214m across 2017/18 and 2018/19 for HRA New Build Phase 4 programme. Financed from £0.370m in Homes & Communities Agency grant and the balance from HRA Revenue and Capital Receipts. Further HRA revenue contributions of £0.380m have been added for the acquisition of properties.
- Confirmation of funding for 2017/18 of £2.736m for the Integration and Better Care Fund, the service has allocated £1.8m to DFG's and £0.936m to Adult Social Care.
- Further Environment Agency funding of £0.090m in 2016/17, £0.128m in 2017/18 and £0.135m in 2018/19 towards the Much Wenlock Flood Alleviation Scheme.
- Revenue contributions of £0.229m have been added to the capital programme. The major areas are Highways contribution to Parking Machine Replacement Programme (£0.125m), Libraries Contribution to Much Wenlock Library refurbishment (£0.025m) and Outdoor Partnerships contribution to Severn Valley Country Park Visitor Centre (£0.060m).

### Budget Decreases

- £1.509m reductions in revenue contribution to Digital Transformation to finance revenue costs occurred in 2016/17.

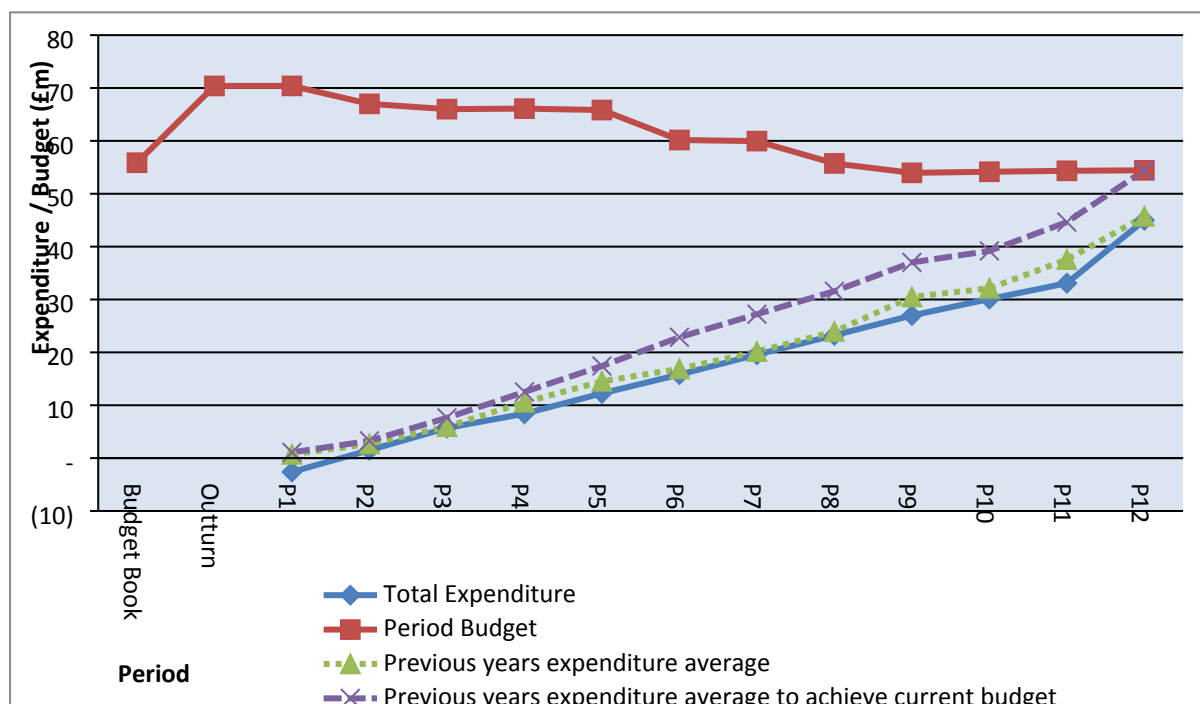
## 11. Capital Outturn Position

- 11.1 The capital programme is reviewed on a regular basis to re-profile the budget to reflect the multi-year nature of capital schemes, whereby spend may slip into later years. However, it is possible that a level of underspend or overspend may be experienced against the revised capital budget at outturn. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Table 7 summarises the outturn position for 2016/17.

**Table 7: Capital Programme Outturn Position by Service area 2016/17**

Service Area	Revised Capital Programme – Outturn 2016/17	Actual Expenditure 31/03/17	Variance	Spend to Budget %
<b>General Fund</b>				
Place & Enterprise	35,468,075	30,258,730	5,209,345	85%
Adult Services	3,224,725	2,136,614	1,088,111	66%
Public Health	675,942	558,910	117,032	83%
Children's Services	8,170,559	6,408,413	1,762,146	78%
Resources & Support	442,770	384,885	57,885	87%
<b>Total General Fund</b>	<b>47,982,071</b>	<b>39,747,552</b>	<b>8,234,519</b>	<b>83%</b>
<b>Housing Revenue Account</b>	6,450,095	5,238,348	1,211,747	81%
<b>Total Approved Budget</b>	<b>54,432,166</b>	<b>44,985,900</b>	<b>9,446,266</b>	<b>83%</b>

- 11.2 Total capital expenditure for 2016/17 was £44.896m, which equated to 83% of the re-profiled capital programme of £54.432m. The graph below shows actual expenditure by period and also tracks the period by period changes to the budget.



- 11.3 There was a total variance of £9.446m between the revised Outturn Budget and the Outturn Expenditure. £9.288m of this underspend will be slipped to 2017/18, but a small balance of £0.158m will be removed from the programme, in relation to the underspend on Highways. Full details of expenditure variances at scheme level are in Appendix 5. A summary of significant variances by service area are provided below.
- 11.4 **Place & Enterprise** – Total underspend against the Place & Enterprise capital programme was £5.209m. The most significant areas was £1.977m against the Broadband programme due to a lower than profiled claims from BT in the final quarter. Other significant areas were £0.641m on the LEP schemes following delays on the schemes, £0.854 from lower than profiled expenditure on Flood & Water Management schemes, £0.425m on Corporate Landlord mainly in relation to the delay to the works on the Tannery site and £0.368m on Affordable Housing schemes from delays in grants being drawn down by developers.
- 11.5 **Adult Services** – Total underspend against Adult Services was £1.088m. This was £0.535 on Social Care schemes despite significant re-profiling and funding cuts earlier in the year and £0.553m on Housing Health & Wellbeing, mainly due to no expenditure on the Home Ownership for Clients with Long Term Disabilities' (HOLD) project.
- 11.6 **Children's Services** – The total underspend against the Children's Services capital programme was £1.762m. This was spread through-out the different areas of the programme and despite significant re-profiling and funding changes earlier in the year.
- 11.7 **Housing Revenue Account** – Total underspend against the HRA programme of £1.212m, of which £0.679m was on the Major Repairs Programme and £0.533 on the New Build Programmes.

## 12. Financing of the capital programme

- 12.1 Appendix 5 provides a full summary of the financing of the 2016/17 capital programme. Table 8 summarises the financing sources and changes made to Quarter 3 and to be approved to Quarter 4.

**Table 8: Revised Capital Programme Financing**

Financing	Agreed Capital Programme - Council 25/02/16	Slippage and budget changes approved to Quarter 3	Quarter 4 budget changes to be approved	Revised 2016/17 Capital Programme Quarter 4
Self-Financed Prudential Borrowing*	-	-	-	-
Government Grants	26,879,829	7,814,115	84,430	34,778,374
Other Grants	-	111,780	3,188	114,968
Other Contributions	426,381	355,685	164,646	946,712
Revenue Contributions to Capital	1,269,659	10,330,809	229,111	11,829,579
Major Repairs Allowance	5,441,865	(990,376)	-	4,451,489
Corporate Resources (expectation - Capital Receipts only)	21,850,553	(19,539,509)	-	2,311,044
<b>Total Confirmed Funding</b>	<b>55,868,287</b>	<b>(1,917,496)</b>	<b>481,375</b>	<b>54,432,166</b>

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

## 13. Projected Longer Term Capital Programme to aid Medium Term Financial Plan

- 13.1 The updated capital programme is summarised by year and financing in Table 9 below:

**Table 9: Capital Programme 2017/18 to 2019/20**

Service Area	2017/18	2018/19	2019/20
<b>General Fund</b>			
Place & Enterprise	43,479,730	25,919,041	2,320,000
Adult Services	6,194,123	-	-
Public Health	617,032	-	-
Children's Services	11,750,747	-	-
Resources & Support	7,804,938	-	-
<b>Total General Fund</b>	<b>69,846,570</b>	<b>25,919,041</b>	<b>2,320,000</b>
<b>Housing Revenue Account</b>	10,682,051	162,219	-
<b>Total Approved Budget</b>	<b>80,528,621</b>	<b>26,081,260</b>	<b>2,320,000</b>
<b>Financing</b>			
Self-Financed Prudential Borrowing*	300,000	-	-
Government Grants	44,214,089	25,109,962	1,636,372
Other Grants	52,401	-	-
Other Contributions	539,899	-	-
Revenue Contributions to Capital	8,481,755	75,900	-
Major Repairs Allowance	5,408,793	-	-
Corporate Resources (expectation - Capital Receipts only)	21,531,684	895,398	683,628

<b>Total Confirmed Funding</b>	<b>80,528,621</b>	<b>26,081,260</b>	<b>2,320,000</b>
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\* Borrowing for which on-going revenue costs are financed by the Service, usually from revenue savings generated from the schemes.

- 13.2 The Corporate Resources financing line above is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. Current expectation is these will all be through capital receipts, see section 14 for the current projected position. Proposals are currently been considered through the Capital Investment Board for new schemes for the Council to invest in, with an emphasis on invest to save schemes or schemes that create revenue generation.

## 14. Capital Receipts Position

- 14.1 The current capital programme is heavily reliant on the Council generating capital receipts to finance the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. Table 10 below, summarises the current allocated and projected capital receipt position across 2016/17 to 2019/20. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Those marked as green are where they are highly likely to be completed by the end of the financial year, amber are where they are achievable, but challenging and thus there is a risk of slippage and red are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in this financial year as there may be delays between exchanging contracts and completing.

**Table 10: Projected capital receipts position**

Detail	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Corporate Resources Allocated in Capital Programme	934,103	21,531,684	895,398	683,628
Capital Receipts used to finance redundancy costs	2,426,856			
To be allocated from Ring Fenced Receipts	442,277	16,012,649	-	-
<b>Total Commitments</b>	<b>3,803,236</b>	<b>37,544,333</b>	<b>895,398</b>	<b>683,628</b>
<b>Capital Receipts in hand/projected:</b>				
Brought Forward in hand	16,989,451	18,370,400	-	-
Generated 2016/17 YTD	5,184,185		-	-
Projected - 'Green'	-	3,978,570	-	-
<b>Total in hand/projected</b>	<b>22,173,637</b>	<b>22,348,970</b>	<b>-</b>	<b>-</b>
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	<b>(18,370,400)</b>	<b>15,195,363</b>	<b>895,398</b>	<b>683,628</b>
Further Assets Being Considered for Disposal	-	<b>20,603,890</b>	<b>2,555,400</b>	-



- 14.2 Capital receipts of £16.989m were brought forward from 2015/16 and £5.184m was generated in 2016/17. As previously reported, following the re-profiling in the capital programme and mid-year review of the programme, sufficient receipts had been generated to finance this year's capital programme without any corporate prudential borrowing. Of the receipts generated in year, £2.427m has been used to finance redundancy costs under the new flexibilities around the use of Capital Receipts for transformational revenue purposes over the 3 year period 2016/17 to 2018/19.
- 14.3 Following the underspend position for the capital programme for 2016/17 and the Council policy of applying un-ringfenced capital grants in place of capital receipts where they are not required in full due to scheme underspends, the Council has £18.370m in capital receipts in hand at 31/03/17. These will be set-aside, enabling the Council to achieve an additional MRP saving of £0.418m in 2017/18. These capital receipts are required to finance schemes they are allocated to in the future years capital programme.
- 14.4 Based on the current approved position, across the life of the programme there is headroom in capital receipts in-hand/projected above the current expenditure commitments. There is, however, still the requirement to progress the disposals programmed for future years, to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved through the Capital Investment Board or as the Council utilises the new flexibilities around the use of Capital Receipts for transformational revenue purposes over the 3 year period 2016/17 to 2018/19.
- 14.5 It is important that work progresses, to avoid a funding shortfall in future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.

## **15. Unsupported borrowing and the revenue consequences**

- 15.1. The Council can choose what level of unsupported (prudential) borrowing to undertake to fund the capital programme, based on affordability under the prudential code. There is an associated revenue cost to fund the cost of the unsupported borrowing. This consists of the Minimum Revenue Provision (MRP) charge for the repayment of the principal amount, based on the asset life method and the interest charge associated with the borrowing. The current PWLB borrowing rate over 25 years is around 2.9% and currently only projected to rise by 0.3% across the next two years. As covered in section 13 above there are sufficient receipts in hand/projected to finance the existing approved programme. If there were to be a requirement for new schemes financed from borrowing, this could be accommodated from within existing

borrowing and current cash balances in the short term, without the requirement to undertake new borrowing. This would, however, create an additional MRP cost, which would need to be met from the revenue budget.

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

Revenue & Capital Budget 2016/17

Financial Rules

Revenue Monitoring Report/Capital Monitoring Report Quarter 1 2016/17

Revenue Monitoring Report/Capital Monitoring Report Quarter 2 2016/17

Financial Monitoring Report – Quarter 3 2016/17

**Cabinet Member (Portfolio Holder)**

Councillor David Minnery, Portfolio Holder for Finance

**Local Member**

All

**Appendices**

1 – Service Area Outturn and Actions 2016/17

2 – Housing Revenue Account 2016/17

3 – Amendments to Original Revenue Budget 2016/17

4 – Reserves and Provisions 2016/17

5 – Capital Budget and Expenditure 2016/17

## Appendix 1

### Service Area Outturn and Actions 2016/17

#### Summary

	Full year			RAGBY	FOR INFO ONLY		
	Budget	Controllable Outturn	Controllable Variation		Outturn (incl. Non Controllable items*)	Non Controllable Variation	Total Variation
	£	£	£		£		£
Adult Services	86,438,690	86,051,701	(386,989)	Y	85,799,201	(252,499)	(639,489)
Children Services	50,813,880	52,316,247	1,502,367	R	51,312,752	(1,003,495)	498,872
Place & Enterprise	79,411,150	78,931,920	(479,230)	Y	92,334,818	13,402,898	12,923,668
Public Health	6,963,120	6,549,802	(413,318)	Y	6,698,120	148,318	(265,000)
Resources & Support	2,924,030	2,128,058	(795,972)	Y	2,140,654	12,596	(783,376)
Corporate	(22,023,750)	(22,344,614)	(320,864)	Y	(34,582,446)	(12,237,833)	(12,558,696)
Total	204,527,120	203,633,114	(894,006)	Y	203,703,099	69,985	(824,021)

\*The non controllable items included in the table above include items such as depreciation, impairment of assets, other capital charges and IAS19 (pension costs)) that are not included within service projections throughout the year. These charges are produced at the year-end as they are calculated as part of the closedown procedures. The budgets for the year are set in the February of the preceding financial year, and rather than reallocate these budgets at the year end to match where the accounting entries are processed, we allow variations from budget to be reported instead. The net effect of these variations across the Council will always be zero, as any overspends within non controllable budgets for service areas will be offset by a Corporate underspend which reflects the statutory requirement that any variations in these budgets should impact on the Council Tax Payer and ultimately the Council Tax that we charge.

#### Detail on Controllable Outturn and Variations

ADULT SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
Total	86,438,690	86,051,701	(386,989)	Y

Adult Business Support & Development	Portfolio Holder Adult Services	2,591,610	2,126,158	(465,452)	Y
£0.175m underspend on salaries due to delays in recruitment, £0.322m underspend on training due to a revision of planned training courses in the year and a number of external contracts being won in Enable. £0.030m cost pressure on CM2000 electronic homecare monitoring system, contract renegotiated for 2017-18.					
Contracts & Provider	Portfolio Holder Adult Services	6,047,460	5,802,592	(244,868)	Y
£0.051m underspend on external contracts and grants, £0.151m relating to purchasing overspends, £0.471m underspend on Day Services, majority relating to vacancy management and difficulties in recruitment. £0.112m overspend on assistive technology.					

ADULT SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
<b>Social Care Operations</b>	<b>Portfolio Holder Adult Services</b>	71,054,600	71,787,944	733,344	<b>A</b>
<p>In 2016-17 we have seen in the region of 1532 new clients since the beginning of the year costing in the region of £10.861m. Some of this new cost will be offset by people leaving the system. We continue to see a pressure on the Deprivation of Liberty Safeguards (DoLS) function as the current establishment is underfunded in 2016-17 and demand continues to outstrip resources. Growth funding has been applied to the budget in 2017-18 to rectify this. The DoLS funding position was the subject of a Judicial Review case which was recently brought to court. The judgement went against Local Government on the basis that as long as discretionary services are being provided council's have the ability to meet the cost of statutory functions. We continued to see a rise in requests for funded support throughout the winter pressures period. To some degree this growth was expected and allowed for in the purchasing model core casting. No money was made available this year to reduce the Delayed Transfer of Care (DTC) so all increased costs were met by the service. There are serious concerns about the disinvestment intentions and actions of the CCG particularly around the removal of Discharge to Assess beds from the market. Separately, there are further material cost implications which are also now coming to light as we assess how sleeping and waking nights are delivered.</p>					
<b>Adult Services Management</b>	<b>Portfolio Holder Adult Services</b>	2,233,780	2,182,632	(51,148)	<b>Y</b>
Salaries underspend due to time taken to recruit and fill vacant posts.					
<b>Housing Health</b>	<b>Portfolio Holder Planning, Housing, Regulatory Services and Environment</b>	4,511,240	4,152,375	(358,865)	<b>Y</b>
<p>£0.108m slippage on salaries due to delays in filling vacant posts £0.112m delayed spending on ICT developments which will now have to be paid from 17-18 budget, £0.102m underspend on grants and contract payments, £0.088m reduction in bad debt provision, £0.75m overspend on Bed &amp; Breakfast provision and Temporary Accommodation.</p>					

CHILDRENS SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
<b>Total</b>		50,813,880	52,316,247	1,502,367	<b>R</b>

<b>Learning &amp; Skills</b>	<b>Portfolio Holder Children and Young People</b>	22,997,330	23,386,116	388,786	<b>A</b>
<p>The final outturn position reflects unachieved savings in year totalling £0.284m. These unachieved savings relate to delays in implementing staffing reductions in Education Support Services and redesigning back office functions. Of this £0.284m, £0.159m of unachieved savings relates to Services that have transferred back into the Council from ip&amp;e Ltd and the original proposal had been to reduce commissioning from ip&amp;e Ltd.</p> <p>In addition to the £0.284m of unachieved savings, £0.334m of ongoing budget monitoring pressures were identified in year. £0.178m relates to Home to School Transport and specifically to the reported increase in the number of SEN Students requiring transport for the 2016/17 academic year. An overspend of £0.066m was identified in relation to reduced buyback of Education Improvement Services by Schools. Other ongoing</p>					

CHILDRENS SERVICES		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
<b>Total</b>		50,813,880	52,316,247	1,502,367	<b>R</b>
<p>monitoring pressures included reduced buyback from Schools for Governor Support (£0.016m), a shortfall in Education Welfare Service statutory income (£0.017m) and an overspend of £0.056m across other supplies and services budgets within Business Support where there will be ongoing costs and insufficient budget.</p> <p>An overspend of £0.301m is reported as one-off budget monitoring pressures. £0.100m of this is within Home to School Transport where the overall overspend was £0.278m, the £0.100m is an estimate based on the additional number of "Academic Days" within 2016/17 compared to the 2015/16 financial year. This is a one-off monitoring pressure since the number of academic days reduces by 4 in 2017/18. The remaining one-off pressures totalling £0.201m were identified across a large number of areas and include both one-off shortfalls in income and one-off overspends.</p> <p>These forecast overspends are partially offset by future year's savings being partially achieved early totalling £0.111m. A staffing saving has occurred in part this year, earlier than proposed resulting in an ongoing saving of £0.024m while the Educational Psychology Service is reporting an ongoing saving of £0.069m towards their 2017/18 savings target. The Forest Schools budget has underspent by £0.017m resulting in the early achievement of their savings target through additional course income.</p> <p>There are some in-year one-off savings on supplies and services and vacancy management totalling £0.418m. The largest single underspend categorised as a one-off is the £0.190m underspend on teacher's redundancy payments where expenditure can fluctuate year to year depending on a variety of factors.</p>					
<b>Children's Safeguarding</b>	<b>Portfolio Holder Children and Young People</b>	26,903,110	28,013,850	1,110,740	<b>R</b>
<p>The final monitoring position reflects unachieved savings in year totalling £0.582m. £0.325m of this value is due to a shortfall in increased contributions towards the Council's Early Help provision from other sources where only £0.600m of the targeted £1.000m alternative funding was secured. The gap of £0.075m has been found from a reduction in two Early Help contracts as well as some secondment savings. Furthermore, monitoring of the Council's external residential placements estimates that £0.250m of the targeted £1.100m Savings target is unachieved. The Service has managed to reduce costs in this area through ongoing careful management of placements and efficiencies have been realised through joining the Birmingham and Worcestershire Fostering Frameworks. A further saving target of £0.060m against the Commissioned Early Help budget has only been partially achieved with £0.007m slipping to 2017/18.</p> <p>An ongoing budget pressure of £0.525m caused by Agency Staffing costs in the social work teams has been identified. This pressure has reduced since 2015/16. The majority of Social Worker vacancies have now been recruited to, however some agency workers stayed in post for longer than expected due to the high number of newly qualified Social Workers now in post and as maternity/sickness cover. Additional temporary capacity was put into place to address high caseloads of social workers and to ensure that case records are complete and up to date which has resulted in an additional pressure of £0.041m. This in line with actions agreed in the Peer Review action plan. There is also an ongoing pressure relating to Leaving Care Allowances of £0.267m partly as a result of increased (national) policy emphasis on extended support for care leavers, this has reduced significantly following a team restructure which has in turn shifted some pressure into residential services, overall this should help realise efficiencies in 2017/2018.</p> <p>This is partially offset by bringing forward 2017/18 proposed savings of £0.293m that has been achieved by a restructure of Children's Centres staffing, and £0.050m relating to the All in Community non-assessed short breaks contracts. There are some smaller in year one-off savings on contracts and vacancy management offset by one-off in year monitoring pressure which net to an overspend of £0.038m.</p>					
<b>Children's Services Management</b>	<b>Portfolio Holder Children and Young People</b>	913,440	916,282	2,842	<b>G</b>
Minor variation from budget at Outturn.					

CHILDRENS SERVICES	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	50,813,880	52,316,247	1,502,367	<b>R</b>

PLACE & ENTERPRISE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	<b>79,411,150</b>	<b>78,931,920</b>	<b>(479,230)</b>	<b>Y</b>

<b>Director of Place &amp; Enterprise</b>	<b>Portfolio Holder Leisure and Culture</b>	729,510	727,781	(1,729)	<b>Y</b>
Minor variation from budget at Outturn.					
<b>Director of Place &amp; Enterprise Total</b>		<b>729,510</b>	<b>727,781</b>	<b>(1,729)</b>	

<b>Head of Business Enterprise &amp; Commercial Services</b>	<b>Portfolio Holder Corporate Support</b>	135,260	133,966	(1,294)	<b>Y</b>
Minor variation from budget at Outturn.					
<b>Corporate Landlord</b>	<b>Portfolio Holder Corporate Support</b>	925,890	2,084,011	1,158,121	<b>R</b>
Significant overspends in Corporate Landlord include unbudgeted rents, rent and service charge review pressures, increased costs of WAN across all properties and one-off repairs and maintenance costs. The majority of the overspend in this area is offset by Strategic Asset Management underspends as below.					
<b>Strategic Asset Management</b>	<b>Portfolio Holder Corporate Support</b>	1,636,090	1,053,007	(583,083)	<b>Y</b>
Underspends include staffing efficiencies, one-off income, solar photovoltaic income and in-year supplies and services savings made in order to offset pressures within Corporate Landlord.					
<b>Premises Services</b>	<b>Portfolio Holder Corporate Support</b>	(16,380)	(282,412)	(266,032)	<b>Y</b>
Significantly more income has been achieved than was budgeted for. This has partly been offset by overspends on staffing and supplies and services, as some staff are funded through income generation.					
<b>Theatre Services</b>	<b>Portfolio Holder Leisure, Libraries and Culture</b>	530,420	172,277	(358,143)	<b>Y</b>
Net income significantly exceeded the budgeted level for a further successive year.					
<b>Shire Services</b>	<b>Portfolio Holder Corporate Support</b>	881,940	881,940	0	<b>G</b>
Minor variation from budget at Outturn.					
<b>Business Enterprise &amp; Commercial Services Total</b>		<b>4,093,220</b>	<b>4,042,789</b>	<b>(50,431)</b>	<b>Y</b>

<b>Commissioning Support</b>	<b>Portfolio Holder Corporate Support</b>	(6,290)	(68,175)	(61,885)	<b>Y</b>
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PLACE & ENTERPRISE		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Underspends in the service area have been achieved due to a vacancy within the team and maternity leave, plus minor expenditure savings on supplies and services budgets.					
<b>Commissioning Support Total</b>		<b>(6,290)</b>	<b>(68,175)</b>	<b>(61,885)</b>	

Procurement & Contracts	Portfolio Holder Corporate Support	167,190	166,035	(1,155)	Y
Minor variation from budget at Outturn.					
Procurement & Contracts Total		167,190	166,035	(1,155)	

Head of Economic Development	Portfolio Holder for Business and Economy	211,980	197,373	(14,607)	Y
Minor variation from budget at Outturn.					
Development Management	Portfolio Holder Planning, Housing, Regulatory Services and Environment	105,960	(77,844)	(183,804)	Y
Income within Development Management, mainly relating to planning applications, land charges (searches) and the natural and historic team, exceeded the budgeted level, more than offsetting the additional costs incurred during the year to process the number of planning applications received.					
Economic Growth	Portfolio Holder for Business and Economy	826,210	811,896	(14,314)	Y
Minor variation from budget at Outturn.					
Broadband	Portfolio Holder for Business and Economy	153,360	156,331	2,971	G
Minor variation from budget at Outturn.					
Planning Policy	Portfolio Holder Planning, Housing, Regulatory Services and Environment	518,390	469,125	(49,265)	Y
The budgeted level of expenditure for the Strategic Plan review was not required within 2016/17.					
Economic Development Total		1,815,900	1,556,881	(259,019)	Y

<b>Head of Infrastructure &amp; Communities</b>	<b>Portfolio Holder Highways and Transportation</b>	185,610	185,801	191	<b>G</b>
Minor variation from budget at Outturn.					
<b>Arts</b>	<b>Portfolio Holder Leisure and Culture</b>	95,230	79,085	(16,145)	<b>Y</b>
Minor variation from budget at Outturn.					
<b>Community Working</b>	<b>Portfolio Holder for Rural Services and Communities</b>	822,660	814,621	(8,039)	<b>Y</b>
Minor variation from budget at Outturn.					
<b>Environmental Maintenance</b>	<b>Portfolio Holder Highways and Transportation</b>	26,881,500	27,670,821	789,321	<b>R</b>

PLACE & ENTERPRISE		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Significant unbudgeted costs were incurred for vehicle maintenance and procurement of the new highways tender, dealing with severe weather conditions, increased demand on reactive highways repairs and drainage, replacing safety barriers/ fencing being required as a result of road traffic accidents, and settlement of commercial claims on permit costs with the term maintenance contractor.					
<b>Highways &amp; Transport</b>	<b>Portfolio Holder Highways and Transportation</b>	3,976,630	3,500,159	(476,471)	<b>Y</b>
There are a number of variations within H&T, the largest being additional income within the Streetworks team. This income has more than offset the budget pressure within Public Transport, which has become particularly significant following the collapse of GHA coaches.					
<b>Outdoor Partnerships</b>	<b>Portfolio Holder Leisure and Culture</b>	1,350,380	1,452,131	101,751	<b>R</b>
There are a number of variations, but mainly, additional staff costs were incurred whilst the restructure was finalised, increased income targets were not achieved in full, and a contribution of £60k was made to capital resources to deliver improvements at Severn Valley Country Park aimed at increasing revenue income in future years.					
<b>Leisure</b>	<b>Portfolio Holder Leisure and Culture</b>	3,386,210	3,400,784	14,574	<b>G</b>
Minor variation from budget at Outturn.					
<b>Libraries</b>	<b>Portfolio Holder Leisure and Culture</b>	3,662,450	3,938,596	276,146	<b>R</b>
One-off overspends have been incurred in 2016/17 due to the delay in the achievement of the savings resulting from the management and administration staff restructure and the reduction in library opening hours. The restructure and reduction to opening hours have now been implemented, with full year savings being achieved from 2017/18.					
<b>Locality Commissioning</b>	<b>Portfolio Holder for Rural Services and Communities</b>	490,230	455,780	(34,450)	<b>Y</b>
The cost of room hire for the locally commissioned youth activities was less than the budget available.					
<b>Passenger Transport</b>	<b>Portfolio Holder Highways and Transportation</b>	643,540	747,832	104,292	<b>R</b>
The variance relates to service reorganisation redundancy costs that were funded by the service area rather than by corporate resources.					
<b>Visitor Economy</b>	<b>Portfolio Holder Leisure and Culture</b>	1,653,620	1,695,476	41,856	<b>G</b>
One-off overspends have been incurred due to the delay in the achievement of savings within the service. A staff restructure has taken place within the year, resulting in full year savings being achieved from 2017/18.					
<b>Waste</b>	<b>Portfolio Holder Planning, Housing, Regulatory Services and Environment</b>	29,463,560	28,565,525	(898,035)	<b>Y</b>
Examination of the 2015/16 annual reconciliation has identified several areas of expenditure where the rebate due to the council is greater than originally forecast. The final value of the reconciliation is yet to be resolved. Added to this is the significant underspend on NNDR compared with the available budget, following the recent rates assessment for the Energy Recovery Facility. Thirdly, draft details of the 2016/17 annual reconciliation have been received, reporting that 2016/17 has been an exceptional year of low landfill tonnage and higher than forecast third party use of the Energy Recovery Facility, both of which result in a greater rebate due to the council than anticipated.					
<b>Infrastructure &amp; Communities Total</b>		<b>72,611,620</b>	<b>72,506,610</b>	<b>(105,010)</b>	<b>Y</b>
PUBLIC HEALTH		Full year			RAGY



	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	<b>6,963,120</b>	<b>6,549,802</b>	<b>(413,318)</b>	<b>Y</b>

<b>Coroners &amp; Bereavement</b>	<b>Portfolio Holder Health &amp; Wellbeing</b>	187,600	188,365	765	<b>G</b>
Minor variations					
<b>Multi Agency</b>	<b>Portfolio Holder Health &amp; Wellbeing</b>	1,004,210	1,094,626	90,416	<b>A</b>
£0.020m historic pressure on Drugs and alcohol, £0.022m underspend on Emergency planning, £0.040m overspend on Links as lower than expected Specific Grant received, £47k overspend on Community Safety which is resolved on an ongoing basis through voluntary redundancy.					
<b>Public Health</b>	<b>Portfolio Holder Health &amp; Wellbeing</b>	385,330	385,331	1	<b>G</b>
This includes the ring-fenced public health services funded by DoH grant. Because this grant is ring-fenced overspend and underspend positions are being dealt with through the use of the Public Health reserve to ensure a balanced budget. There are still ongoing issues with the CCG regarding FP10 (Prescribing form) and Falls Prevention costs.					
<b>Public Protection</b>	<b>Portfolio Holder Health &amp; Wellbeing</b>	5,156,560	4,721,478	(435,082)	<b>Y</b>
Underspend mainly due to increased enforcement and grant income of £0.201m, staffing efficiencies of £0.276m and a contribution to Reserves of £0.050m.					
<b>Registrars</b>	<b>Portfolio Holder Health &amp; Wellbeing</b>	229,420	160,002	(69,418)	<b>Y</b>
£0.110m income achieved over budget offset by additional salary costs required to deliver services of £0.065m and an underspend on working budgets of £0.024m.					

<b>RESOURCES &amp; SUPPORT</b>	<b>Full year</b>			<b>RAGY</b>
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	<b>2,924,030</b>	<b>2,128,058</b>	<b>(795,972)</b>	<b>Y</b>

<b>Customer Involvement</b>	<b>Portfolio Holder Corporate Support</b>	180,700	532,780	352,080	<b>R</b>
<p>The delayed savings within Customer Access of £0.228m and income shortfall of £0.099m were mostly resolved from planned savings of £0.267m within Benefits, SLA Performance and Customer Services. The outstanding savings of £0.060m will be achieved in the next financial year. Savings in relation to the Credit Union Contract of £0.061m have been delayed and alternatives are being investigated. Additional savings of £0.168m have been identified in relation to staffing and general expenditure across Marketing &amp; Engagement and Service Management, which were offset against pressures within IT Services.</p> <p>Budget pressures within IT Services continued to be experienced, these relate to the delayed savings expected from the Lync rollout of £0.120m, licensing pressures resulting in an overspend £0.573m. These pressures were partly offset by in-year savings of £0.205m from reduced system costs and £0.094m from vacancy management and traded income. The forecast shortfall relating to Schools IT SLA buy back has been resolved in year from one off income of £0.192m.</p> <p>Pressures within the costs of the MFD Fleet of £0.053m and Print Unit of £0.048m. Additional spending of £0.492m was approved within IT services to fund key upgrades to the current ICT Infrastructure and to enhance Disaster Recovery/Business Continuity services; that is required until the Digital Transformation Project identifies and delivers the long term solution, of this spend £0.373m were agreed to be funded via the Capital programme.</p>					

RESOURCES & SUPPORT	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	<b>2,924,030</b>	<b>2,128,058</b>	<b>(795,972)</b>	<b>Y</b>

<b>Finance, Governance &amp; Assurance</b>	<b>Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan</b>	1,698,400	1,265,117	(433,283)	<b>Y</b>
Pressures within Revenues & Benefits of £0.231m were offset against additional one-off grant income not budgeted for £0.108m, staffing efficiencies £0.179m and further savings on expenditure of £0.055m. Year end transactions around Housing Benefits recovery of costs and bad debt identified a further £0.265m which was offset by a late adjustment to Housing Benefit Expenditure of £0.129m There were reported overspends on general expenditure of £0.047m and further underspends from staffing efficiencies of £0.150m across variance teams within Finance. Budgets of (£0.091m) were identified as surplus to requirements in year.					
<b>Human Resources &amp; Development</b>	<b>Portfolio Holder Corporate Support</b>	202,250	(111,016)	(313,266)	<b>Y</b>
Savings across H&S and Occupational Health were due to vacancy management £0.036m were realised alongside small supplies and services underspends.					
HR&D Service overspends in relation to Learning Management System £0.011m and unachieved savings targets of £0.102m were offset by one-off in year monitoring savings, additional income from a secured external contract and vacancy management efficiencies totalling £0.095m. Additional income was secured at year end from external contracts of £0.037m.					
One off savings within the Communication and Business Design Team of £0.165m were achieved through additional work secured on an existing contract generating an additional income of £0.027m. Vacancy management efficiencies of £0.062m through not back filling maternity leave and vacancies not being filled throughout the year with the remainder from budgets identified as surplus to requirements.					
<b>Legal, Democratic &amp; Strategy</b>	<b>Portfolio Holder Corporate Support</b>	527,330	345,443	(181,887)	<b>Y</b>
Underspends of £0.018m within Committee Services arose from vacancy management efficiencies and underspends on supplies and services costs. A further £0.059m was identified within Members Services as budgets surplus to requirements.					
Elections Services was showing a pressure of £0.051 on Supplies and Services, mainly due to increased postage costs of £0.074m offset by small underspends within the Team and surplus budgets totalling (£0.023m). Additional grant was received of £0.081m regarding IER at year end which offset the overspends within supplies and services.					
Overspend within Legal services resulted from increased disbursement costs of £0.020m were offset by vacancy management efficiencies of £0.048m and some additional income and small underspends across the service of £0.037m. Child Care underspent by £0.060m.					
<b>Strategic Management Board</b>	<b>Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan</b>	315,350	95,733	(219,617)	<b>Y</b>
Vacancy management savings were identified across the service to the total of £0.203m. Other small expenditure budget savings were identified also.					

CORPORATE	Full year			RAGY
	Budget	Controllable Outturn	Controllable Variance	
	£	£	£	
<b>Total</b>	<b>(22,023,750)</b>	<b>(22,344,614)</b>	<b>(320,864)</b>	<b>Y</b>

CORPORATE		Full year			RAGY
		Budget	Controllable Outturn	Controllable Variance	
		£	£	£	
Corporate Budgets	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	(22,023,750)	(22,344,614)	(320,864)	Y
<p>Within corporate budgets, there was a £0.377m reduction in MRP identified as well as a combination of an increase of interest receivable and decrease of interest payable resulting in a further £0.122m saving. Budgets of £0.508m in relation to both MRP and Treasury Management were identified as surplus to requirement in year. There were staffing efficiencies of £0.091m and unused budget for Audit Fees of £0.205m. Overspends on various expenditure lines amounted to £0.164m which included an increase in the bad debt provision.</p>					
<p>At year end budgets relating to inflation and expected corporate expenditure were confirmed as surplus to requirements, totalling £0.854m, and additional grant income was confirmed of £0.327m. The Council's Invest to Save Reserve has been utilised over the year and resultant savings are expected to flow through into the revenue budget. An allocation of £2m to the Invest to Save Reserve in 2016/17 has been made within the corporate budget to enable the continuation of this work, linking to the Council's newly adopted Commerciality Strategy.</p>					

## Appendix 2

### Housing Revenue Account 2016/17

Outturn (pre Audit)	Budget £	Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(17,460,000)	(17,771,888)	(311,888)
Garage Rent	(152,530)	(154,262)	(1,732)
Other Rent	(20,600)	(19,486)	1,114
Charges for Services	(386,660)	(449,821)	(63,161)
<b>Total Income</b>	<b>(18,019,790)</b>	<b>(18,395,457)</b>	<b>(375,667)</b>
<u>Expenditure</u>			
ALMO Management Fee	7,511,030	7,511,027	(3)
Supplies and Services	337,470	331,171	(6,299)
Capital Charges - Dwelling Depreciation	4,542,470	3,377,320	(1,165,150)
Capital Charges - Depreciation Other	43,030	171,460	128,430
Interest Paid	2,994,860	2,993,361	(1,499)
Repairs charged to revenue	500,000	501,919	1,919
New development feasibility	100,000	105,463	5,463
Increase in Bad Debt Provision	50,000	50,000	0
Corporate & Democratic Core	173,030	204,310	31,280
<b>Total Expenditure</b>	<b>16,251,890</b>	<b>15,246,032</b>	<b>(1,005,858)</b>
<b>Net Cost of Services</b>	<b>(1,767,900)</b>	<b>(3,149,425)</b>	<b>(1,381,525)</b>
Interest on Balances	(23,000)	(58,572)	(35,572)
<b>Net Operating Expenditure</b>	<b>(1,790,900)</b>	<b>(3,207,997)</b>	<b>(1,417,097)</b>
<b>Net Cost of Service</b>	<b>(1,790,900)</b>	<b>(3,207,997)</b>	<b>(1,417,097)</b>
<u>HRA Reserve</u>			
B/fwd 1 April	5,823,223	5,823,223	
Surplus/(Deficit) for year	1,790,900	3,207,997	
Carried Forward 31 March	7,614,924	9,031,220	

#### Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2016/17 (£'000)	Income in 2016/17 (£'000)	Balance Carried Forward (£'000)

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2016/17 (£'000)	Income in 2016/17 (£'000)	Balance Carried Forward (£'000)
<b>HRA Earmarked Reserves</b>					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	2,803	(3,982)	3,548	2,369
<b>Total</b>		<b>2,803</b>	<b>(3,982)</b>	<b>3,548</b>	<b>2,369</b>

### Appendix 3

## Amendments to Original Budget 2016/17

	<b>Total £'000</b>	<b>Adult Services £'000</b>	<b>Children's Services £'000</b>	<b>Place &amp; Enterprise* £'000</b>	<b>Public Health £'000</b>	<b>Resources &amp; Support £'000</b>	<b>Corporate £'000</b>
Original Budget as agreed by Council	<b>204,527</b>	86,330	50,535	81,082	1,807	6,294	(21,521)
<u>Quarter 1</u>							
Inflation for LETS	<b>0</b>	0	76	0	0	0	(76)
Realignment of Commercial Services budget	<b>0</b>	0	0	0	0	47	(47)
Other minor changes	<b>0</b>	0	27	(13)	0	(18)	4
<u>Quarter 2</u>							
Transfer of Commercial Services and Public Protection, as part of realignment of services under renaming Commissioning to Place & Enterprise	<b>0</b>	0	0	(1,775)	5,175	(3,400)	0
Transfer of Occupational Therapist posts	<b>0</b>	87	(87)	0	0	0	0
<u>Quarter 3</u>							
Transfer of SPARC grant budget from Corporate to Leisure				30			(30)
Transfer of post from Planning Policy to Housing		22		(22)			
Realignment of budget for Commercial Services following transfer to Place & Enterprise				91			(91)
<u>Quarter 4</u>							
Transfer of two posts from Public Protection into Planning .				18	(18)		
Removal of unachievable County Training saving following their externalisation.			263				(263)
<b>Revised Budget</b>	<b>204,527</b>	<b>86,439</b>	<b>50,814</b>	<b>79,411</b>	<b>6,964</b>	<b>2,923</b>	<b>(22,024)</b>

\* Commissioning renamed Place & Enterprise from Quarter 2.

**Appendix 4****Reserves and Provisions 2016/17**

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2016/17 (£'000)	Income in 2016/17 (£'000)	Confirmed Release (£'000)	Conditional Release (£'000)	Balance Carried Forward (£'000)
<b>Reserves</b>								
<b>Sums set aside for major schemes, such as capital developments, or to fund major reorganisation</b>								
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.	6,973	0	(2)	2	0	(6,973)	0
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	646	0	(269)	3,513	0	0	3,889
Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	6,175	(1,490)	0	556	0	(3,500)	1,740
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	0	1,490	0	2,352	0	(500)	3,342
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	244	0	(48)	0	0	0	197
		<b>14,037</b>	<b>0</b>	<b>(319)</b>	<b>6,422</b>	<b>0</b>	<b>(10,973)</b>	<b>9,168</b>
<b>Insurance Reserves</b>								
Fire Liability	Required to meet the cost of excesses on all council properties.	2,434	0	0	352	0	0	2,786
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	977	0	0	88	0	0	1,064
		<b>3,411</b>	<b>0</b>	<b>0</b>	<b>439</b>	<b>0</b>	<b>0</b>	<b>3,850</b>

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2016/17 (£'000)	Income in 2016/17 (£'000)	Confirmed Release (£'000)	Conditional Release (£'000)	Balance Carried Forward (£'000)
<b>Reserves of trading and business units</b>								
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	607	0	(103)	130	0	0	635
		<b>607</b>	<b>0</b>	<b>(103)</b>	<b>130</b>	<b>0</b>	<b>0</b>	<b>635</b>
<b>Reserves retained for service departmental use</b>								
Building Control	Required to manage the position regarding building control charges.	0	0	0	76	0	0	76
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.	500	0	0	0	(216)	0	284
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	380	0	0	20	(240)	0	160
External Fund Reserve	Reserves held where the Council is the administering body for trust funds or partnership working.	0	466	(44)	67	0	0	489
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	9,805	9,146	(23,951)	14,850	5,409	13,342	28,601
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme agreed within the Ringway Contract.	492	0	(65)	90	0	0	517
Major Planning Inquiries	This reserve has now been closed by transferring the balance to the General Fund. Any future requirements to fund major planning inquiries will be managed with reference to the general fund provision.	504	(504)	0	0	0	0	0
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	5,547	(9,146)	(832)	9,219	0	0	4,788
Planning Reserve	This reserve has been closed as it is no longer required.	1,147	0	0	0	(1,147)	0	0



	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Transfer Balance Between Reserves (£'000)</b>	<b>Expenditure in 2016/17 (£'000)</b>	<b>Income in 2016/17 (£'000)</b>	<b>Confirmed Release (£'000)</b>	<b>Conditional Release (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
Public Health Reserve	This reserve includes balances committed to specific public health projects.	2,152	0	(149)	70	(1,000)	0	1,073
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	1,421	0	0	40	0	0	1,461
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.	3,662	(356)	(1,654)	1,837	(379)	(2,369)	740
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2017/18.	3,763	(110)	(1,416)	782	(1,672)	0	1,348
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	3,151	0	(996)	0	0	0	2,155
Shropshire Waste Partnership (Smoothing)	The PFI smoothing reserve has now been closed. Step changes in the unitary charge will be managed in year.	389	0	0	0	(389)	0	0
Theatre Severn R&M	The Theatre Severn R&M reserve has now been closed with future R&M requirements to be managed in year.	29	0	0	0	(29)	0	0
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	638	0	0	0	(338)	0	300
		<b>33,579</b>	<b>(504)</b>	<b>(29,107)</b>	<b>27,052</b>	<b>0</b>	<b>10,973</b>	<b>41,993</b>
<b>School Balances</b>								
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	7,173	0	(7,271)	6,378	0	0	6,280
Education – Staff Sickness Insurance	Schools' self-help insurance for staff sickness with premiums met from delegated budgets.	187	0	(187)	0	0	0	0

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Transfer Balance Between Reserves (£'000)</b>	<b>Expenditure in 2016/17 (£'000)</b>	<b>Income in 2016/17 (£'000)</b>	<b>Confirmed Release (£'000)</b>	<b>Conditional Release (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
Education – Theft Insurance	Schools' self-help insurance scheme to cover equipment damage and losses.	98	0	(34)	4	0	0	68
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	1,749	0	(25)	142	0	0	1,866
		<b>9,206</b>	<b>0</b>	<b>(7,516)</b>	<b>6,523</b>	<b>0</b>	<b>0</b>	<b>8,213</b>

<b>Total Reserves</b>	<b>60,841</b>	<b>(504)</b>	<b>(37,044)</b>	<b>40,566</b>	<b>0</b>	<b>0</b>	<b>63,859</b>
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<b>Provisions</b>								
<b>Provisions - Short Term</b>								
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	2,165	0	(2,165)	2,488			2,488
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 <sup>st</sup> March 2017.	143	0	(143)	0			0
Other Provisions - Short Term	Includes a number of small provisions including NNDR liability on car parks and a liability within Planning Services.	401	0	(401)	0	0	0	0
<b>Provisions - Long Term</b>								
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	343	0	(46)	0	0	0	297
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,928		(364)	0			3,564

	Purpose of Balance	Balance Brought Forward (£'000)	Transfer Balance Between Reserves (£'000)	Expenditure in 2016/17 (£'000)	Income in 2016/17 (£'000)	Confirmed Release (£'000)	Conditional Release (£'000)	Balance Carried Forward (£'000)
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	4,571	0	(2,543)	1,297			3,324
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	3,610	0	(208)	711			4,113
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	837	0	(290)	340			887
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	125		(10)	26			142
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	5,660	0	(847)	1,607	0	0	6,420
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	354		(13)	50			391
<b>Total Provisions</b>		<b>22,137</b>	<b>0</b>	<b>(7,030)</b>	<b>6,519</b>	<b>0</b>	<b>0</b>	<b>21,626</b>

<b>Total Reserves &amp; Provisions</b>	<b>82,977</b>	<b>(504)</b>	<b>(44,073)</b>	<b>47,085</b>	<b>0</b>	<b>0</b>	<b>85,485</b>
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<b>HRA Earmarked Reserves</b>							
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	2,803		(3,982)	3,548		2,369
		<b>2,803</b>	<b>0</b>	<b>(3,982)</b>	<b>3,548</b>		<b>2,369</b>

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## Shropshire Council - Capital Programme 2016/17 - 2019/20

### Capital Programme Summary - Outturn 2016/17

Scheme Description	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 16/17 £	Actual Spend 31/03/17	Spend to Budget Variance £	% Budget Spend	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £
<b>General Fund</b>												
Place & Enterprise	35,078,055	-	390,020	-	35,468,075	30,258,730	5,209,345	85%	5,050,730	158,616	43,479,730	25,919,041
Adult Services	3,224,725	-	-	-	3,224,725	2,136,614	1,088,111	66%	1,088,111	0	6,194,123	-
Public Health	675,942	-	-	-	675,942	558,910	117,032	83%	117,032	0	617,032	-
Children's Services	8,114,514	-	56,045	-	8,170,559	6,408,413	1,762,146	78%	1,762,146	-	11,750,747	-
Resources & Support*	442,770	-	-	-	442,770	384,885	57,885	87%	57,885	(0)	7,804,938	-
<b>Total General Fund</b>	<b>47,536,006</b>	<b>-</b>	<b>446,065</b>	<b>-</b>	<b>47,982,071</b>	<b>39,747,552</b>	<b>8,234,519</b>	<b>83%</b>	<b>8,075,904</b>	<b>158,616</b>	<b>69,846,570</b>	<b>25,919,041</b>
<b>Housing Revenue Account</b>	<b>6,414,785</b>	<b>-</b>	<b>35,310</b>	<b>-</b>	<b>6,450,095</b>	<b>5,238,348</b>	<b>1,211,747</b>	<b>81%</b>	<b>1,211,747</b>	<b>(0)</b>	<b>10,682,051</b>	<b>162,219</b>
<b>Total Approved Budget</b>	<b>53,950,791</b>	<b>-</b>	<b>481,375</b>	<b>-</b>	<b>54,432,166</b>	<b>44,985,900</b>	<b>9,446,266</b>	<b>83%</b>	<b>9,287,651</b>	<b>158,615</b>	<b>80,528,621</b>	<b>26,081,260</b>

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
<b>Place &amp; Enterprise</b>																
<b>Infrastructure &amp; Communities</b>																
<b>Leisure</b>																
Sports Equipment Phase 2	KCL01	P Davis	300,000		-	-	-	-	-	-	-	-	-	300,000	-	-
<b>Total</b>					-	-	-	-	-	-	-	-	-	<b>300,000</b>	-	-
<b>Libraries</b>																
Much Wenlock Library Refurbishment	KCR02	R Parslow	50,000			-	25,000	-	25,000	-	25,000	25,000	-	25,000		
<b>Total</b>					-	-	<b>25,000</b>	-	<b>25,000</b>	-	<b>25,000</b>	<b>25,000</b>	-	<b>25,000</b>	-	-
<b>Local Commissioning</b>																
Whitchurch Civic Centre	K5T48	N Willcox	887,763	826,831	30,466	-	-	-	30,466	-	30,466	30,466	-	30,466	-	-
<b>Total</b>					<b>30,466</b>	-	-	-	<b>30,466</b>	-	<b>30,466</b>	<b>30,466</b>	-	<b>30,466</b>	-	-
<b>Waste Management</b>																
In Vessel Composting Facility	K6WM0	P Beard	325,000	-	-	-	-	-	-	-	-	-	-	325,000	-	-
<b>Total</b>					-	-	-	-	-	-	-	-	-	<b>325,000</b>	-	-
<b>Bereavement Services</b>																
Mytton Oak Remembrance Park - Shrewsbury	K6BS1	T Sneddon	1,012,905	1,008,823	4,082	-	-	-	4,082	4,082			-		-	-
<b>Total</b>					<b>4,082</b>	-	-	-	<b>4,082</b>	<b>4,082</b>			-		-	-
<b>Highways &amp; Transport - LTP</b>																
<b>Structural Maintenance of Bridges &amp; Structures</b>																
Bridgeguard - Unallocated	KBG01	T Sneddon	Ongoing	-	334,580	177,487	-	-	512,067	-	512,067		512,067	1,500,000	1,500,000	-
Bridgeguard - Miscellaneous Expenditure	KBG02	T Sneddon	124,279	113,313	(9,664)	20,630	-	-	10,966	10,964	2		2	-	-	-
Bridgeguard - Consultancy Fees	KBG03	T Sneddon	892,924	408,698	484,226	-	-	-	484,226	319,822	164,404		164,404	-	-	-
Bridgeguard - Hadnall Culvert	KBG05	T Sneddon	653,854	87,204	600,000	(33,350)	-	-	566,650	583,399	(16,749)		(16,749)	-	-	-
Bridgeguard - Snailbeach Retaining Wall	KBG07	T Sneddon	65,427	2,385	71,000	(7,958)	-	-	63,042	63,042	(0)		(0)	-	-	-
Bridgeguard - Outrack Bridge	KBG14	T Sneddon	27,209	28,055	(846)	-	-	-	(846)	(846)	(0)		(0)	-	-	-
Bridgeguard - Mytton Bridge	KBG16	T Sneddon	142,177	135,853	6,324	-	-	-	6,324	6,324				-	-	-
Bridgeguard - Bridgnorth Endowed Footbridge	KBG17	T Sneddon	107,134	101,771	6,017	(654)	-	-	5,363		(0)		(0)	-	-	-
Bridgeguard - Ticklerton Bridge	KBG18	T Sneddon	105,775	100,938	4,612	225	-	-	4,837	4,837	(0)		(0)	-	-	-
Bridgeguard - High House Lane Bridge	KBG20	T Sneddon	35,334	1,052	37,192	(2,910)	-	-	34,282	34,282	(0)		(0)	-	-	-
Bridgeguard - Corve Footbridge	KBG21	T Sneddon	5,727	7,266	(1,539)	-	-	-	(1,539)	(1,539)	(0)		(0)	-	-	-
Bridgeguard - Borfemail Bridge	KBG24	T Sneddon	72,220	70,439	1,781	-	-	-	1,781	1,781				-	-	-
Bridgeguard - Count Arbour Bridge	KBG26	T Sneddon	30,056	29,956	100	-	-	-	100	100	-		-	-	-	-
Bridgeguard - Boreton Road Bridge	KBG28	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Twmpath Bridge	KBG29	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Wheelbarrow	KBG30	T Sneddon	1,502	1,502	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Eaton No.3	KBG32	T Sneddon	120,061	8,719	117,500	(6,158)	-	-	111,342	111,342	(0)		(0)	-	-	-
Bridgeguard - Sandyford Bridge	KBG33	T Sneddon	345	345	443	(443)	-	-	-	-	-		-	-	-	-
RoW - Blue Bridge	KBG34	T Sneddon	34,371	9,678	33,153	(8,460)	-	-	24,693	24,693				-	-	-
Bridgeguard - Catherton Gate Cattle Grid Replacement	KBG38	T Sneddon	12,090	4,193	7,897	-	-	-	7,897	7,897	(0)		(0)	-	-	-
RoW - Morville No 1 Footbridge	KBG39	T Sneddon	5,410	5,410	-	-	-	-	-	446	(446)		(446)	-	-	-
RoW - Eaton Brook Footbridge	KBG41	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Bridgnorth Bypass	KBG45	T Sneddon	2,202,092	18,897	183,195	-	-	-	183,195	157,827	25,368		25,368	2,000,000	-	-
Bridgeguard - Dark Lane Broseley Reservoir Tank	KBG46	T Sneddon	60,705	2,517	171,252	(113,064)	-	-	58,188	69,657	(11,469)		(11,469)	-	-	-
Bridgeguard - Duddestone School West Bridge	KBG47	T Sneddon	26,048	-	32,500	(6,452)	-	-	26,048	26,048				-	-	-
Bridgeguard - Henley Ledwyche Bridge	KBG48	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Winterburn Bridge	KBG49	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Dean Culvert Bridge	KBG50	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Harpswood No 2 Culvert	KBG51	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Castlewalk Footbridge Shrewsbury	KBG52	T Sneddon	30,000	-	30,000	-	-	-	30,000	22,308	7,692		7,692	-	-	-
Bridgeguard - Ludford Bridge, Ludlow	KBG58	T Sneddon	83,831	14,831	69,000	-	-	-	69,000	59,091	9,909		9,909	-	-	-
Bridgeguard - Smithy Bridge	KBG59	T Sneddon	13,078	-	15,000	(1,922)	-	-	13,078	13,078	(0)		(0)	-	-	-
Bridgeguard - Swan Bach (Boundary) Bridge	KBG60	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Windmill Lane Canal Bridge	KBG61	T Sneddon	75,000	-	75,000	-	-	-	75,000	24,620	50,380		50,380	-	-	-
Bridgeguard - Plowden Cattle Grid	KBG62	T Sneddon	10,984	-	10,984	-	-	-	10,984	10,984				-	-	-
Bridgeguard - Gasworks Bridge	KBG63	T Sneddon	-	-	15,000	(15,000)	-	-	-	4,050	(4,050)		(4,050)	-	-	-
Bridgeguard - Ledwyche Bridge	KBG67	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Bridgeguard - Condoval Bridge	KBG68	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Row - Ford Footbridge	KBG53	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Row - Mill Meadow Footbridge	KBG54	T Sneddon	50	-	50	-	-	-	50	50	-		-	-	-	-
Row - Hogstow Hall Footbridge	KBG55	T Sneddon	-	-	-	-	-	-	-	-	-		-	-	-	-
Row - Broadway Close Footbridge	KBG56	T Sneddon	4,733	-	4,733	-	-	-	4,733	4,733	(0)		(0)	-	-	-
Row - Rindleford Mill Footbridge	KBG57	T Sneddon	10,656	-	12,627	(1,971)	-	-	10,656	10,656				-	-	-
<b>Total</b>					<b>2,312,117</b>	-	-	-	<b>2,312,117</b>	<b>1,575,010</b>	<b>737,107</b>	-	<b>737,107</b>	<b>3,500,000</b>	<b>1,500,000</b>	-
<b>Structural Maintenance of Roads</b>																
Structural Maintenance of Principal Roads		T Sneddon	Ongoing		5,564,451	-	-	-	5,564,451	5,693,334	(128,883)		(128,883)	-	-	-

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
Structural Maintenance of Secondary Roads		T Sneddon	Ongoing		10,350,887	-	(4,110)	-	10,346,777	10,648,746	(301,969)		(301,969)	-	-	-
Structural Maintenance of all Roads		T Sneddon	Ongoing		1,539,102	-	-	-	1,539,102	2,129,451	(590,349)		(590,349)	15,891,000	10,601,000	-
<b>Total</b>					<b>17,454,440</b>	<b>-</b>	<b>(4,110)</b>	<b>-</b>	<b>17,450,330</b>	<b>18,471,531</b>	<b>(1,021,201)</b>	<b>-</b>	<b>(1,021,201)</b>	<b>15,891,000</b>	<b>10,601,000</b>	<b>-</b>
<b>Street Lighting</b>																
Programme of structural replacement of lighting columns	K6SL1	J Hughes	Ongoing		875,171	-	-	-	875,171	620,108	255,063		255,063	690,000	690,000	-
Street Lighting LED Conversions	K6SL2	J Hughes	Ongoing		181,665	-	-	-	181,665	81,096	100,569		100,569	100,000	100,000	-
Part Night Lighting	K6SL3	J Hughes	Ongoing		-	-	-	-	-	144	(144)		(144)	10,000	10,000	-
Programme of replacement signs and bollards	K6SL4	J Hughes	Ongoing		10,455	-	-	-	10,455	10,576	(121)		(121)	-	-	-
<b>Total</b>					<b>1,067,291</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,067,291</b>	<b>711,925</b>	<b>355,366</b>	<b>-</b>	<b>355,366</b>	<b>800,000</b>	<b>800,000</b>	<b>-</b>
<b>Local Transport Plan - Integrated Transport Plan</b>																
<b>Pedestrian &amp; Cycle Facilities</b>																
<b>Central</b>																
ITP Central - A488 Pontesbury to Minsterley Cycle Route	KST03	V Merrill	192,105	191,693	412	-	-	-	412	2,966	(2,554)		(2,554)	-	-	-
ITP Central - Spring Gardens Cyclepath / St Michaels Street	KST09	V Merrill	37,109	3,023	34,086	-	-	-	34,086	14,224	19,862		19,862	-	-	-
ITP Central - A488 Radbrook Rd Shrewsbury New Footway	KTC21	V Merrill	24,657	2,657	22,000	-	-	-	22,000	-	22,000		22,000	-	-	-
ITP Central - Bicton Footway Improvements	KTC27	V Merrill	15,000	-	15,000	-	-	-	15,000	9,868	5,132		5,132	-	-	-
ITP Central - Installation of new cycle counters	KTC30	V Merrill	15,000	8,287	6,713	-	-	-	6,713	-	6,713		6,713	-	-	-
ITP Central - Mytton Oak Road Pedestrian Improvements	KTC33	V Merrill	10,000	-	10,000	-	-	-	10,000	7,966	2,034		2,034	-	-	-
ITP Central - Bank Farm Road Six Acres Road Footway Realignment	KTC34	V Merrill	8,138	-	8,138	-	-	-	8,138	8,138	-		-	-	-	-
<b>North</b>																
ITP North - Wem Mill St/Drawell Lane Pedestrian Crossing, Wem	KTC03	V Merrill	40,430	23,360	17,070	-	-	-	17,070	5,042	12,028		12,028	-	-	-
ITP North - Rhyn Park St Martins Crossing	KTC05	V Merrill	-	-	-	-	-	-	-	385	(385)		(385)	-	-	-
ITP North - B5067 Baschurch Pedestrian Crossing	KTC06	V Merrill	30,623	30,623	-	-	-	-	-	867	(867)		(867)	-	-	-
ITP North - Colliery Lane, St Martins Footway	KTC26	V Merrill	5,000	-	5,000	-	-	-	5,000	4,383	617		617	-	-	-
ITP North - Poynton Road Shawbury Pedestrian Crossing	KTC32	V Merrill	1,675	-	1,675	-	-	-	1,675	8,088	(6,413)		(6,413)	-	-	-
ITP North - Oswestry branch line cycle route (aka Cambrian Road)	KST11	V Merrill	238,478	155,478	83,000	-	-	-	83,000	78,102	4,898		4,898	-	-	-
ITP North - Gobowen Footway Improvements	KST14	V Merrill	40,461	39,877	584	-	-	-	584	7,899	(7,315)		(7,315)	-	-	-
<b>South</b>																
ITP South - Station Road, Albrighton Pedestrian Facilities	KTC14	V Merrill	79,443	13,872	65,571	-	-	-	65,571	4,642	60,929		60,929	-	-	-
ITP South - B4379 Sherrifhales Pedestrian Improvements	KTC15	V Merrill	26,385	9,961	16,424	-	-	-	16,424	9,340	7,084		7,084	-	-	-
ITP South - A464 Park Street Shifnal Pedestrian Crossing	KTC16	V Merrill	64,086	14,978	49,108	-	-	-	49,108	57,290	(8,182)		(8,182)	-	-	-
ITP South - B4373 Cross Lane, Cantreyn, Footway	KTC23	V Merrill	9,670	2,405	7,265	-	-	-	7,265	6,855	410		410	-	-	-
ITP South - Salop Road Bridgnorth Pedestrian Crossing (S106)	KTC29	V Merrill	106,452	102,955	3,497	-	-	-	3,497	(19,859)	23,356		23,356	-	-	-
ITP South - Bromfield Road Ludlow, Pedestrian Crossing	KTC31	V Merrill	40,000	2,621	37,379	-	-	-	37,379	93,684	(56,305)		(56,305)	-	-	-
<b>Total</b>					<b>382,922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>382,922</b>	<b>299,878</b>	<b>83,044</b>	<b>-</b>	<b>83,044</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Signal Enhancements</b>																
<b>Countywide</b>																
ITP Countywide - Future years Signal Scheme Designs	KTS14	V Merrill	31,400	-	31,400	-	-	-	31,400	39,858	(8,458)		(8,458)	-	-	-
<b>Central</b>																
ITP Central - Ditherington UTC Upgrade Contribution	KTS13	V Merrill	28,315	-	28,315	-	-	-	28,315	28,315	-		-	-	-	-
<b>North</b>																
ITP North - A53 Shrewsbury road/Wem road signal Refurbishment	KTS05	V Merrill	24,465	24,465	-	-	-	-	-	3,150	(3,150)		(3,150)	-	-	-
ITP North - B5395 Whitchurch 5 ways junction improvement	KTS06	V Merrill	428,368	409,918	18,450	-	-	-	18,450	18,450	(0)		(0)	-	-	-
ITP North - A495 Scotland Street Ellesmere	KTS09	V Merrill	116,906	11,906	105,000	-	-	-	105,000	89,862	15,138		15,138	-	-	-
ITP North - A495 Willow Street Ellesmere Pedestrian Crossing	KTS10	V Merrill	3,636	3,636	-	-	-	-	-	1,071	(1,071)		(1,071)	-	-	-
ITP North - A495 Mereside Ellesmere Pedestrian Crossing	KTS12	V Merrill	35,793	6,793	29,000	-	-	-	29,000	35,731	(6,731)		(6,731)	-	-	-
<b>South</b>																
ITP South - A41 Cosford junction signal Refurbishment/Signal	KTS07	V Merrill	472,960	472,055	905	-	-	-	905	905	(0)		(0)	-	-	-
ITP South - Bull Ring Jctn Refurb Ludlow	KTS08	V Merrill	87,482	6,241	81,241	-	-	-	81,241	3,071	78,170		78,170	-	-	-
ITP South - A442 Hospital Steet, Bridgnorth - Pedestrian Crossing	KTS11	V Merrill	14,975	2,550	12,425	-	-	-	12,425	38,551	(26,126)		(26,126)	-	-	-
<b>Total</b>					<b>306,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,736</b>	<b>258,965</b>	<b>47,771</b>	<b>-</b>	<b>47,771</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Safety/Speed Reductions</b>																
<b>Countywide</b>																
ITP Countywide - VAS Replacement Programme	KTR46	V Merrill	60,625	4,500	56,125	-	-	-	56,125	52,418	3,707		3,707	-	-	-
<b>Central</b>																
ITP Central - Mousecroft Lane Shrews, Speed Reduction	KTR28	V Merrill	2,220	2,220	-	-	-	-	-	113	(113)		(113)	-	-	-
ITP Central - Featherbed Lane Shres, Traffic Management	KTR32	V Merrill	76,752	11,298	65,454	-	-	-	65,454	114,664	(49,210)		(49,210)	-	-	-
ITP Central - Coleham School Safety Scheme	KTR33	V Merrill	44,871	14,338	30,533	-	-	-	30,533	66,343	(35,810)		(35,810)	-	-	-
ITP Central - B4380 Leighton Speed Management	KTR34	V Merrill	10,292	5,512	4,780	-	-	-	4,780	4,780	(0)		(0)	-	-	-
ITP Central - Priory & Meole Brace Schools Safety Scheme	KTR35	V Merrill	65,170	13,197	51,973	-	-	-	51,973	99,000	(47,027)		(47,027)	-	-	-
ITP Central - Acton Burnell Crossroads	KTR36	V Merrill	31,696	3,872	27,824	-	-	-	27,824	5,824	22,000		22,000	-	-	-
ITP Central - A488 Hanwood Speed Management	KTR37	V Merrill	30,238	658	29,580	-	-	-	29,580	10,380	19,200		19,200	-	-	-
ITP Central - Meadow Farm Drive Speed Management	KTR39	V Merrill	20,652	4,608	16,044	-	-	-	16,044	16,044	(0)		(0)	-	-	-
ITP Central - B4380 Buildwas Speed Management	KTR41	V Merrill	8,000	-	8,000	-	-	-	8,000	5,340	2,660		2,660	-	-	-
ITP Central - Uffington Speed Management	KTR42	V Merrill	5,500	-	5,500	-	-	-	5,500	3,528	1,972		1,972	-	-	-
ITP Central - B5062 Sundorne Road Medical Centre Junction	KTR43	V Merrill	10,000	-	10,000	-	-	-	10,000	6,177	3,823		3,823	-	-	-
ITP Central - Hubert Way Shrewsbury Speed Management	KTR44	V Merrill	8,000	-	8,000	-	-	-	8,000	2,311	5,689		5,689	-	-	-
ITP Central - Main Road Pontesbury Speed & Safety Measures	KTR55	V Merrill	16,100	-	16,100	-	-	-	16,100	11,160	4,940		4,940	-	-	-

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
<b>North</b>																
ITP North - A525 Broughall crossroads widening	KTR05	V Merrill	18,037	4,138	13,899	-	-	-	13,899	9,975	3,924		3,924	-	-	-
ITP North - B5069 Moors Bank St Martins speed reduction	KTR06	V Merrill	5,142	-	5,142	-	-	-	5,142	5,741	(599)		(599)	-	-	-
ITP North - Prees Lower Heath speed reduction	KTR07	V Merrill	4,035	672	3,363	-	-	-	3,363	229	3,134		3,134	-	-	-
ITP North - B4397 Baschurch speed reduction	KTR08	V Merrill	10,578	1,047	9,531	-	-	-	9,531	11,584	(2,053)		(2,053)	-	-	-
ITP North - B4396 Knockin Village speed reduction	KTR09	V Merrill	4,713	672	4,041	-	-	-	4,041	-	4,041		4,041	-	-	-
ITP North - A49 Hadnall to Preston Brock safety	KTR10	V Merrill	51,306	15,959	35,347	-	-	-	35,347	21,501	13,846		13,846	-	-	-
ITP North - Chirk Road Gobowen speed reduction	KTR11	V Merrill	3,931	672	3,259	-	-	-	3,259	3,260	(1)		(1)	-	-	-
ITP North - B5065 Sulton road peed reduction	KTR12	V Merrill	4,177	-	4,177	-	-	-	4,177	4,013	164		164	-	-	-
ITP North - A49 Prees Higher Heath speed reduction	KTR13	V Merrill	47,016	7,833	39,183	-	-	-	39,183	17,936	21,247		21,247	-	-	-
ITP North - B5063 The Blamer speed reduction	KTR14	V Merrill	34,437	1,400	33,037	-	-	-	33,037	19,344	13,693		13,693	-	-	-
ITP North - A528 Speed Reduction Cockshutt	KTR27	V Merrill	13,962	2,400	11,562	-	-	-	11,562	11,562				-	-	-
ITP North - A529 Hinstock Safety Measures	KTR45	V Merrill	8,000	-	8,000	-	-	-	8,000	2,650	5,350		5,350	-	-	-
ITP North - Ternhill Safety Improvements	KTR49	V Merrill	5,680	1,300	4,380	-	-	-	4,380	4,380	(0)		(0)	-	-	-
ITP North - A51 Pipegate To Woore Speed Reduction	KTR54	V Merrill	2,000	-	2,000	-	-	-	2,000	996	1,004		1,004	-	-	-
ITP North - Ellesmere Town Centre 20Mph Zone	KTR56	V Merrill	9,000	-	9,000	-	-	-	9,000	6,750	2,250		2,250	-	-	-
ITP North - A41 Sandford Speed Reduction	KTR57	V Merrill	6,000	-	6,000	-	-	-	6,000	7,730	(1,730)		(1,730)	-	-	-
<b>South</b>																
ITP South - A442 Norton	KTR15	V Merrill	16,860		15,133	-	-	-	15,133	56,201	(41,068)		(41,068)	-	-	-
ITP South - A456 Burford Speed Reduction	KTR16	V Merrill	86,719	63,249	23,470	-	-	-	23,470	7,566	15,904		15,904	-	-	-
ITP South - B4555 Severn Centre Highley traffic calming	KTR20	V Merrill	21,820	9,105	12,715	-	-	-	12,715	8,121	4,594		4,594	-	-	-
ITP South - A458 Morville Road Safety Improvements	KTR21	V Merrill	7,973	2,973	5,000	-	-	-	5,000	-	5,000		5,000	-	-	-
ITP South - Hope Valley Speed Reduction	KTR22	V Merrill	20,511	5,511	15,000	-	-	-	15,000	8,200	6,800		6,800	-	-	-
ITP South - Chorley speed limit	KTR23	V Merrill	5,000	-	5,000	-	-	-	5,000	-	5,000		5,000	-	-	-
ITP South - B4378 Shipton speed limit	KTR24	V Merrill	2,101	102	1,999	-	-	-	1,999	1,853	146		146	-	-	-
ITP South - Ironbridge Road Broseley Speed Reduction	KTR25	V Merrill	17,155	943	16,212	-	-	-	16,212	10,867	5,345		5,345	-	-	-
ITP South - A4169 Sheinton Street Much Wenlock	KTR26	V Merrill	134,862	8,278	126,584	-	-	-	126,584	137,264	(10,680)		(10,680)	-	-	-
ITP South - A454 Spoonleygate Crossroads Improvement	KTR29	V Merrill	3,300	-	3,300	-	-	-	3,300	-	3,300		3,300	-	-	-
ITP South - A41 Stanton Road Junction Improvement Tong	KTR30	V Merrill	22,288	2,906	19,382	-	-	-	19,382	14,228	5,154		5,154	-	-	-
ITP South - Coalport Road Traffic Management, Broseley	KTR31	V Merrill	50,467	8,755	41,712	-	-	-	41,712	91,657	(49,945)		(49,945)	-	-	-
ITP South - B4373 Bridgnorth Rd Speed Reduction, Broseley	KTR38	V Merrill	22,132	758	21,374	-	-	-	21,374	7,919	13,455		13,455	-	-	-
ITP South - Dark Lane Broseley Road Safety	KTR40	V Merrill	13,766	6,539	7,227	-	-	-	7,227	8,472	(1,245)		(1,245)	-	-	-
ITP South - B4194 Button Oak - Spdd Limit Alterations	KTR48	V Merrill	3,272	1,627	1,645	-	-	-	1,645	62,246	(60,601)		(60,601)	-	-	-
ITP South - A442 VAS	KTR50	V Merrill	6,663	-	6,663	-	-	-	6,663	5,391	1,272		1,272	-	-	-
ITP South - Redstone Drive Highley Road Safety Review	KTR51	V Merrill	26,000	-	26,000	-	-	-	26,000	10,101	15,899		15,899	-	-	-
ITP South - Lackstone Farm Cattle Warning System	KTR52	V Merrill	10,000	-	10,000	-	-	-	10,000	4,580	5,420		5,420	-	-	-
ITP South - Much Wenlock, Barrow & Broseley Hgv Mgmt	KTR53	V Merrill	30,000	-	30,000	-	-	-	30,000	16,184	13,816		13,816	-	-	-
ITP South - Henley Road, Ludlow sign scheme	KST15	V Merrill	14,412	4,412	10,000	-	-	-	10,000	3,337	6,663		6,663	-	-	-
<b>Total</b>					<b>920,250</b>	-	-	-	<b>920,250</b>	<b>979,921</b>	<b>(59,671)</b>	-	<b>(59,671)</b>	-	-	-
<b>Traffic Management</b>																
<b>Central</b>																
ITP Central - Racecourse Lane, Shrewsbury	KTM03	V Merrill	46,550	13,266	33,284	-	-	-	33,284	16,259	17,025		17,025	-	-	-
ITP Central - Eaton Constantine traffic management	KTM05	V Merrill	40,332	39,902	430	-	-	-	430	(8,191)	8,621		8,621	-	-	-
ITP Central - Cross Street Bridge, Shrewsbury, Warning Sign	KTM12	V Merrill	3,531	-	3,531	-	-	-	3,531	3,531				-	-	-
<b>South</b>																
ITP South - A464 Upton Crossroads Shifnal signs	KTM09	V Merrill	26,259	7,870	18,389	-	-	-	18,389	26,317	(7,928)		(7,928)	-	-	-
ITP South - Albrighton cross road	KTM10	V Merrill	3,500	-	3,500	-	-	-	3,500	-	3,500		3,500	-	-	-
<b>Total</b>					<b>59,134</b>	-	-	-	<b>59,134</b>	<b>37,915</b>	<b>21,219</b>	-	<b>21,219</b>	-	-	-
<b>Parking Infrastructure</b>																
<b>South</b>																
ITP South - The Innage Shifnal Parking	KTP01	V Merrill	19,171	-	19,171	-	-	-	19,171	19,880	(709)		(709)	-	-	-
ITP Countywide - Parking Machine Replacement Programme	KTP02	Z Moritmer	250,000	-	-	-	125,000	-	125,000	-	125,000	125,000	-	125,000	-	-
<b>Total</b>					<b>19,171</b>	-	<b>125,000</b>	-	<b>144,171</b>	<b>19,880</b>	<b>124,291</b>	<b>125,000</b>	<b>(709)</b>	<b>125,000</b>	-	-
<b>Accident Clusters</b>																
A5 Crckley Bank - Marsh Lane Jctn	KTA01	V Merrill	9,332	-	-	9,332	-	-	9,332	9,332	-		-	-	-	-
Heathgates Rbout	KTA02	V Merrill	-	-	-	-	-	-	-	3,000	(3,000)		(3,000)	-	-	-
A529 40mph end to Mount Pleasant Crossroads	KTA05	V Merrill	9,964	-	-	9,964	-	-	9,964	14,310	(4,346)		(4,346)	-	-	-
Column Roundabout	KTA06	V Merrill	8,686	-	-	8,686	-	-	8,686	8,686	-		-	-	-	-
Smithfield Road	KTA07	V Merrill	6,500	-	-	6,500	-	-	6,500	8,306	(1,806)		(1,806)	-	-	-
<b>Total</b>					-	<b>34,482</b>	-	-	<b>34,482</b>	<b>43,634</b>	<b>(9,152)</b>	-	<b>(9,152)</b>	-	-	-
<b>Network Improvements</b>																
<b>Countywide</b>																
ITP Countywide - Bus Shelters	KTN02	V Merrill	49,183	39,183	10,000	-	-	-	10,000	1,300	8,700		8,700	-	-	-
<b>South</b>																
ITP South - Shifnal Network Improvement (S106)	KTN03	V Merrill	142,517	142,517	-	-	-	-	-	5,787	(5,787)		(5,787)	-	-	-
<b>Total</b>					<b>10,000</b>	-	-	-	<b>10,000</b>	<b>7,087</b>	<b>2,913</b>	-	<b>2,913</b>	-	-	-
<b>Integrated Transport Unallocated</b>																
<b>Countywide</b>																
ITP Countywide - Unallocated	KT000	V Merrill	Ongoing		34,482	(34,482)	-	-	-	-	-		-	1,000,000	1,000,000	-



## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
Area Small Works - Central	KT001	V Merrill	Ongoing		-	-	-	-	-	-	-	-	-	-	-	-
Area Small Works - North	KT002	V Merrill	Ongoing		-	-	-	-	-	-	-	-	-	-	-	-
Area Small Works - South	KT003	V Merrill	Ongoing		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>34,482</b>	<b>(34,482)</b>	-	-	-	-	-	-	-	<b>1,000,000</b>	<b>1,000,000</b>	-
<b>Total Integrated Transport Plan</b>					<b>1,732,695</b>	-	<b>125,000</b>	-	<b>1,857,695</b>	<b>1,647,280</b>	<b>210,415</b>	<b>125,000</b>	<b>85,415</b>	<b>1,125,000</b>	<b>1,000,000</b>	-
<b>Total Highways &amp; Transport - LTP</b>					<b>22,566,543</b>	-	<b>120,890</b>	-	<b>22,687,433</b>	<b>22,405,746</b>	<b>281,687</b>	<b>125,000</b>	<b>156,687</b>	<b>21,316,000</b>	<b>13,901,000</b>	-
<b>LEP Schemes</b>																
LEP Oxon Relief Road Project	KOX01	A Stirling	5,010,323	217,525	750,475	-	-	-	750,475	308,152	442,323	442,323	( )	1,742,323	1,900,000	400,000
LEPSITP - Unallocated Contingency	KIT00	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Project Management/Design	KIT01	A Stirling	8,144,109	651,434	2,064,472	-	-	-	2,064,472	1,865,348	199,124	199,124	-	3,749,124	1,679,079	-
LEPSITP - Reabrook Roundabout	KIT02	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Meole Brace Roundabout	KIT03	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - English Bridge Gyratory	KIT04	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Coleham Head	KIT05	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - SCOOT English Bridge/Abbey Foregate	KIT06	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - SCOOT Meole Brace Corridor	KIT07	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - VMS	KIT08	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Traffic Management Existing 20mph Zone	KIT09	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Traffic Management Commercial Areas/Town Walls	KIT10	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Pride Hill Enhancement	KIT11	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Pedestrian & Cycle Imp - Northern Corridor	KIT12	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Pedestrian & Cycle Imp - Southern Corridor	KIT13	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Pedestrian & Cycle Imp - Western Corridor	KIT14	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LEPSITP - Pedestrian Wayfinding	KIT15	A Stirling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total LEP Shrewsbury Integrated Transport Package</b>					<b>2,064,472</b>	-	-	-	<b>2,064,472</b>	<b>1,865,348</b>	<b>199,124</b>	<b>199,124</b>	-	<b>3,749,124</b>	<b>1,679,079</b>	-
<b>Total</b>					<b>2,814,947</b>	-	-	-	<b>2,814,947</b>	<b>2,173,500</b>	<b>641,447</b>	<b>641,447</b>	-	<b>5,491,447</b>	<b>3,579,079</b>	<b>400,000</b>
<b>Flood Defences &amp; Water Management</b>																
Much Wenlock - Flood & Water Management	K6FW1	D Edwards	2,858,783	366,828	1,612,744	-	90,000	-	1,702,744	1,176,533	526,211	526,211	( )	654,211	135,000	-
Craven Arms - Flood & Water Management	K6FW2	D Edwards	96,049	43,951	26,049	-	-	-	26,049	-	26,049	-	-	26,049	-	-
Church Stretton - Flood & Water Management	K6FW3	D Edwards	35,000	-	-	-	-	-	-	-	-	-	-	35,000	-	-
Shifnal - Flood & Water Management	K6FW4	D Edwards	745,748	37,835	172,165	-	-	-	172,165	8,417	163,748	163,748	-	313,748	222,000	-
Oswestry - Flood & Water Management	K6FW5	D Edwards	97,632	85,648	5,992	-	-	-	5,992	-	5,992	5,992	-	5,992	-	-
Shrewsbury - Flood & Water Management	K6FW6	D Edwards	191,124	125,400	32,862	-	-	-	32,862	-	32,862	32,862	-	32,862	-	-
The Grove, Minsterley IPP Scheme	K6FW8	D Edwards	70,992	61,008	4,992	-	-	-	4,992	-	4,992	4,992	-	4,992	-	-
Shropshire IPP Scheme Phase 1	K6FWA	D Edwards	246,392	57,323	94,262	-	-	-	94,262	35,455	58,807	58,807	-	94,807	-	-
Shropshire Slow the Flow Project	KEF01	D Edwards	385,179	50,552	89,448	-	-	-	89,448	54,269	35,179	35,179	( )	105,179	70,000	70,000
<b>Total</b>					<b>2,038,514</b>	-	<b>90,000</b>	-	<b>2,128,514</b>	<b>1,274,674</b>	<b>853,840</b>	<b>853,840</b>	( )	<b>1,272,840</b>	<b>427,000</b>	<b>70,000</b>
<b>Environmental Maintenance - Depots</b>																
Depot Redevelopment - Unallocated	K6H03	S Brown	203,699	100,457	6,621	-	-	-	6,621	-	6,621	6,621	-	96,621	-	-
Depot Redevelopment - Park Hall	K6H02	S Brown	-	-	-	-	-	-	-	14,388	(14,388)	(14,388)	-	(14,388)	-	-
Depot Redevelopment - Hodnet	K6H06	S Brown	114,918	115,907	6,000	-	-	-	6,000	12,989	(6,989)	(6,989)	( )	(6,989)	-	-
Depot Redevelopment - Craven Arms	K6H08	S Brown	1,038,045	907,690	128,413	-	-	-	128,413	126,471	1,942	1,942	( )	1,942	-	-
Depot Redevelopment - Stourbridge Road, Bridgnorth	K6H09	S Brown	280,427	105,612	116,185	-	-	-	116,185	57,555	58,630	58,630	( )	58,630	-	-
Depot Redevelopment - Stourbridge Road Bridgnorth - Salt Dome	K6H10	S Brown	200,000	-	100,000	-	-	-	100,000	-	100,000	100,000	-	100,000	-	-
Depot Redevelopment - Manor House Lane Store	K6H11	S Brown	100,000	-	50,000	-	-	-	50,000	-	50,000	50,000	-	50,000	-	-
Depot Redevelopment - Ice Station Replacement	K6H12	S Brown	135,885	-	100,000	-	-	-	100,000	64,115	35,885	35,885	( )	35,885	-	-
<b>Total</b>					<b>507,219</b>	-	-	-	<b>507,219</b>	<b>275,520</b>	<b>231,699</b>	<b>231,701</b>	(2)	<b>321,701</b>	-	-
<b>Visitor Economy</b>																
<b>Museums</b>																
Music Hall Refurbishment	K5HA9	L Cross	10,132,444	10,027,794	79,000	-	-	-	79,000	53,350	25,650	25,650	-	25,650	-	-
Heritage Assets Acquisition	K5HAA	E-K Lanyon	11,110	-	11,110	-	-	-	11,110	11,110	-	-	-	-	-	-
<b>Venues &amp; Programmes</b>																
Theatre Severn - Major Maintenance Improvement Works	KBT01	L Cross	190,771	-	114,613	-	-	-	114,613	38,455	76,158	76,158	-	76,158	-	-
<b>Total</b>					<b>204,723</b>	-	-	-	<b>204,723</b>	<b>102,915</b>	<b>101,808</b>	<b>101,808</b>	-	<b>101,808</b>	-	-
<b>Outdoor Partnerships</b>																
Oswestry Play & Recreational Improvements	K5BC7	M Blount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The Mere Play Area	K5T41	M Blount	103,979	100,184	2,471	-	1,324	-	3,795	3,795	-	-	-	-	-	-
Ash Road Oswestry	K5T43	M Blount	74,291	69,437	4,082	-	772	-	4,854	4,854	-	-	-	-	-	-
Snailbeach Lead Mine Higher Level Stewardship	K5T53	C Dean	199,154	191,803	5,958	-	-	-	5,958	4,565	1,393	1,393	( )	1,393	-	-
Nesscliffe - Higher Level Stewardship	K5T55	C Dean	35,174	15,768	9,703	-	-	-	9,703	-	9,703	9,703	-	9,703	-	-
Crown Meadow Skatepark, Bridgnorth	K5T57	M Blount	89,328	86,586	3,415	-	(673)	-	2,742	2,742	-	-	-	-	-	-
Mere Wardens Bungalow Refurbishment	KBR05	M Blount	101,930	385	88,589	-	6,400	-	94,989	88,433	6,556	6,556	( )	6,556	-	-
Broseley BMX & Outdoor Gym (S106)	KBR06	S McCarthy	46,487	8,453	31,547	-	-	-	31,547	25,060	6,487	6,487	-	6,487	-	-
Shelton Recreation Ground Pavilion (S106)	KBR07	M Blount	115,443	-	104,797	-	1,653	-	106,450	102,207	4,243	4,243	-	8,993	-	-
Nags Head Engine House	KBR08	J Howells	147,508	-	101,622	-	3,188	-	104,810	62,112	42,698	42,698	( )	42,698	-	-

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
Severn Valley Country Park Visitor Centre Improvements	KBR09	M Blount	109,745	-	-	-	60,000	-	60,000	10,255	49,745	49,745	-	49,745	-	-
<b>Total</b>					<b>352,184</b>	<b>-</b>	<b>72,664</b>	<b>-</b>	<b>424,848</b>	<b>304,023</b>	<b>120,825</b>	<b>120,825</b>		<b>125,575</b>	<b>-</b>	<b>-</b>
<b>Total Infrastructure &amp; Communities</b>					<b>28,518,678</b>	<b>-</b>	<b>308,554</b>	<b>-</b>	<b>28,827,232</b>	<b>26,540,459</b>	<b>2,286,773</b>	<b>2,130,087</b>	<b>156,686</b>	<b>29,309,837</b>	<b>17,907,079</b>	<b>470,000</b>
<b>Economic Development</b>																
<b>Physical Regeneration</b>																
Food Enterprise Centre - Construction (Battlefield)	KER38	A Stirling	6,687,023	6,629,880	28,654	-	-	-	28,654	165	28,489	28,489	-	28,489	-	-
Ludlow Eco Park	KED22	A Stirling	-	-	-	-	-	-	-	(1,927)	1,927	-	1,927	-	-	-
Shropshire Small Business Loan Scheme - Phase 1	KED32	C Cox	500,000	400,000	100,000	-	-	-	100,000	100,000	-	-	-	-	-	-
Shropshire Small Business Loan Scheme - Phase 3	KBE01	C Cox	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shrewsbury Business Park Phase 2 Extension	KED33	A Stirling	1,716,646	1,716,646	-	-	-	-	-	-	-	-	-	-	-	-
<b>MTRP</b>																
Market Towns Revitalisation - Bridgnorth	KED26	C Cox	300,886	298,646	2,240	-	-	-	2,240	2,240	(1)	-	(1)	-	-	-
<b>Growth Point</b>																
Shrewsbury Growth Point	K6GP1	A Stirling	195,591	195,591	-	-	-	-	-	-	-	-	-	-	-	-
Shrewsbury Vision	K6GP4	A Stirling	389,294	389,294	-	-	-	-	-	-	-	-	-	-	-	-
Flaxmill Project - Implementation	K6FM1	A Stirling	1,000,000	-	-	-	-	-	-	-	-	-	-	500,000	500,000	-
Shrewsbury Vision - New Riverside Development	K6HR1	A Stirling	310,458	22,516	125,749	-	-	-	125,749	113,556	12,193	12,193	-	162,193	-	-
<b>Total</b>					<b>256,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,643</b>	<b>214,034</b>	<b>42,609</b>	<b>40,682</b>	<b>1,927</b>	<b>690,682</b>	<b>500,000</b>	<b>-</b>
<b>Natural &amp; Historical Environment</b>																
Historic Environment Grants	K6HE1	A Cooper	Ongoing	12,480	33,682	-	-	-	33,682	-	33,682	33,682	-	33,682	-	-
Old Rectory, Whitchurch Section 106	KBN01	A Cooper	307,699	37,154	62,846	-	-	-	62,846	5,147	57,699	57,699	-	207,699	-	-
<b>Total</b>					<b>96,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,528</b>	<b>5,147</b>	<b>91,381</b>	<b>91,381</b>		<b>241,381</b>	<b>-</b>	<b>-</b>
<b>Planning Policy - Affordable Housing</b>																
Affordable Housing - Rolling Fund	K6AHG	A Cooper	Ongoing	-	-	-	-	-	-	-	-	-	-	346	-	-
Shrewsbury Self Build Scheme	K6AHT	A Cooper	416,898	17,447	132,553	-	-	-	132,553	15,655	116,898	116,898	-	266,898	-	-
Drapers Almshouses	K6AHU	A Cooper	240,000	-	240,000	-	-	-	240,000	240,000	-	-	-	-	-	-
Ellesmere Rd, Shrewsbury - Extra Care Scheme	K6H01	A Cooper	370,000	170,000	170,000	-	-	-	170,000	140,000	30,000	30,000	-	30,000	-	-
Community Led Affordable Housing Grant Scheme	K6AHV	A Cooper	2,342,000	1,684,000	394,000	-	-	-	394,000	184,000	210,000	210,000	-	264,000	-	-
Affordable Housing Contributions Grant Scheme (S106)	K6AHW	A Cooper	815,542	225,820	296,756	-	81,466	-	378,222	366,722	11,500	11,500	-	211,500	-	-
<b>Total</b>					<b>1,233,309</b>	<b>-</b>	<b>81,466</b>	<b>-</b>	<b>1,314,775</b>	<b>946,377</b>	<b>368,398</b>	<b>368,398</b>	<b>-</b>	<b>772,744</b>	<b>-</b>	<b>-</b>
<b>Broadband</b>																
Broadband Project - Milestone 0	KB000	C Taylor	905,397	816,459	58,241	-	-	-	58,241	27,544	30,697	30,697	-	30,697	-	-
Broadband Project - Milestone 1	KB001	C Taylor	10,663,478	6,229,221	1,728,288	-	-	-	1,728,288	1,022,319	705,969	705,969	-	2,705,969	-	-
Broadband Project - Milestone 2	KB002	C Taylor	5,682,037	3,088,271	1,824,119	-	-	-	1,824,119	1,054,472	769,647	769,647	(1)	769,647	-	-
Broadband Project - Milestone 3	KB003	C Taylor	2,260,305	-	749,657	-	-	-	749,657	239,009	510,648	510,648	-	1,510,648	-	-
Broadband Project - Phase 2 - Milestone 0	KB004	C Taylor	432,552	-	-	-	-	-	-	39,969	(39,969)	(39,969)	-	432,552	-	-
Broadband Project - Phase 2 - Milestone 1	KB005	C Taylor	538,335	-	-	-	-	-	-	-	-	-	-	538,335	-	-
Broadband Project - Phase 2 - Milestone 2	KB006	C Taylor	3,478,092	-	-	-	-	-	-	-	-	-	-	2,335,988	1,142,104	-
Broadband Project - Phase 2 - Milestone 3	KB007	C Taylor	236,261	-	-	-	-	-	-	-	-	-	-	-	236,261	-
Broadband Project - Phase 2b - Lot 1	KB008	C Taylor	9,634,402	-	-	-	-	-	-	-	-	-	-	2,672,000	5,112,402	1,850,000
Broadband Project - Phase 2b - Lot 2	KB009	C Taylor	2,042,389	-	-	-	-	-	-	-	-	-	-	1,021,194	1,021,195	-
<b>Total</b>					<b>4,360,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,360,305</b>	<b>2,383,313</b>	<b>1,976,992</b>	<b>1,976,992</b>		<b>12,017,030</b>	<b>7,511,962</b>	<b>1,850,000</b>
<b>Total Economic Development</b>					<b>5,946,785</b>	<b>-</b>	<b>81,466</b>	<b>-</b>	<b>6,028,251</b>	<b>3,548,870</b>	<b>2,479,381</b>	<b>2,477,453</b>	<b>1,928</b>	<b>13,721,837</b>	<b>8,011,962</b>	<b>1,850,000</b>
<b>Business Enterprise &amp; Commercial Services</b>																
<b>Strategic Asset Services</b>																
<b>Corporate Landlord</b>																
Lord Hill Statue Repairs	KCS01	S Law	71,374	70,492	882	-	-	-	882	882	-	-	-	-	-	-
18/19 Shoplatch - toilet facilities	KRP04	S Law	63,868	-	36,000	-	-	-	36,000	8,132	27,868	27,868	(1)	27,868	-	-
The Tannery Demolition	KRP06	S Law	796,847	-	400,000	-	-	-	400,000	3,153	396,847	396,847	-	396,847	-	-
<b>Total</b>					<b>436,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436,882</b>	<b>12,167</b>	<b>424,715</b>	<b>424,715</b>		<b>424,715</b>	<b>-</b>	<b>-</b>
<b>Energy &amp; Sustainability</b>																
Shawbury St Marys Solar PV	KRV01	S Law	64,095	61,023	1,536	-	-	-	1,536	-	1,536	1,536	-	1,536	-	-
Bishops Castle Primary Solar PV	KRV03	S Law	41,820	39,874	973	-	-	-	973	-	973	973	-	973	-	-
Weston Rhyn Primary Solar PV	KRV04	S Law	33,897	32,321	788	-	-	-	788	-	788	788	-	788	-	-
Harlescote Junior Solar PV	KRV06	S Law	36,029	34,353	838	-	-	-	838	-	838	838	-	838	-	-
Mount Pleasant Primary Solar PV	KRV07	S Law	40,016	38,154	931	-	-	-	931	-	931	931	-	931	-	-
Ludlow Youth Centre Solar PV	KRV11	S Law	44,084	42,036	1,024	-	-	-	1,024	-	1,024	1,024	-	1,024	-	-
Severn Valley Country Park Solar PV	KRV14	S Law	18,474	17,616	429	-	-	-	429	-	429	429	-	429	-	-
SPARC - Solar PV	KRV15	S Law	60,792	59,200	1,519	-	-	-	1,519	1,446	73	73	-	73	-	-
Shirehall - Solar PV	KRV17	S Law	201,749	185,648	10,210	-	-	-	10,210	4,319	5,891	5,891	-	5,891	-	-
<b>Total</b>					<b>18,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,248</b>	<b>5,764</b>	<b>12,484</b>	<b>12,484</b>	<b>1</b>	<b>12,483</b>	<b>-</b>	<b>-</b>
<b>Small Holdings</b>																

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
The Clamp - Smallholding Refurbishment	KCS03	S Law	15,830	15,830	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					-	-	-	-	-	-	-	-	-	-	-	-
<b>Gypsy Sites</b>																
Travellers Sites Unallocated Grant (Phase 1&2 HCA)	K6T00	S Law	4,866	-	-	-	-	-	-	-	-	-	-	4,866	-	-
Gypsy Site - Manor House Lane	K6T03	S Law	706,560	653,803	46,765	-	-	-	46,765	40,773	5,992	5,992		5,992	-	-
Gypsy Sites - Whittington Phase 2	K6T04	S Law	671,522	594,346	77,176	-	-	-	77,176	77,175	1		1	-	-	-
Gypsy Sites - Craven Arms Phase 2	K6T05	S Law	439,749	406,228	33,521	-	-	-	33,521	33,521	(0)		(0)	-	-	-
Boars Den Gypsy Transit Site	K6T06	S Law	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					157,462	-	-	-	157,462	151,469	5,993	5,992	1	10,858	-	-
<b>Total Strategic Asset Services</b>					612,592	-	-	-	612,592	169,400	443,192	443,190	2	448,056	-	-
<b>Total Business Enterprise &amp; Commercial Services</b>					612,592	-	-	-	612,592	169,400	443,192	443,190	2	448,056	-	-
<b>Total Place &amp; Enterprise</b>					35,078,055	-	390,020	-	35,468,075	30,258,730	5,209,345	5,050,730	158,616	43,479,730	25,919,041	2,320,000
<b>Adult Services</b>																
<b>Social Care</b>																
Community Capacity Grant	KA000	T Miles	Ongoing	-	25,847	(12,842)	-	-	13,005	-	13,005	13,005	-	1,077,192	-	-
Mount Pleasant - Shared Development Site	K5B60	T Miles	485,546	454,960	15,293	-	-	-	15,293	-	15,293	15,293	-	15,293	-	-
Telecare Call Monitoring	K5B88	T Miles	290,370	132,480	118,932	-	-	-	118,932	79,974	38,958	38,958	-	38,958	-	-
IT Mobile Flexible Working	K5B89	T Miles	260,819	197,742	47,257	-	-	-	47,257	31,437	15,820	15,820	-	15,820	-	-
Development Trust Development - Raven Site, Market Drayton	K5B94	T Miles	2,090,360	1,943,440	97,867	-	-	-	97,867	48,814	49,053	49,053	(0)	49,053	-	-
Adult Social Care Community Capital Grant Scheme	K5B01	T Miles	2,872	1,000	1,872	-	-	-	1,872	1,872	-	-	-	-	-	-
IT Hardware - Implementation of Care Bill	K5B02	T Miles	279,000	70,175	-	-	-	-	-	-	-	-	-	208,825	-	-
Baschurch Assisted Living Bungalow - Phase 3	K5B04	T Miles	577,304	382,696	97,304	-	-	-	97,304	-	97,304	97,304	-	97,304	-	-
London Road Assisted Living Bungalow - Phase 4	K5B05	T Miles	755,995	2,593	544,407	-	-	-	544,407	358,412	185,995	185,995	-	208,995	-	-
Kempsfield/Aquamira Gas Installation	KA001	T Miles	16,691	-	15,000	-	-	-	15,000	13,309	1,691	1,691	(0)	1,691	-	-
Autism Innovation Capital Grant	KA002	T Miles	25,980	11,020	7,480	-	-	-	7,480	-	7,480	7,480	-	7,480	-	-
Refurb The Meres for Library Services	KA005	T Miles	80,000	-	40,000	-	-	-	40,000	-	40,000	40,000	-	40,000	-	-
Kempsfield Pre Lift Housing	KA007	T Miles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Sandpit Fitouts	KA009	T Miles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Lawley Gardens External Works	KA010	T Miles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquamira - Water Filtration System Replacement	KA014	T Miles	4,799	-	4,799	-	-	-	4,799	4,799	(0)	-	(0)	-	-	-
Glenview - replacement specialist bathing equip	KA015	T Miles	16,224	-	16,224	-	-	-	16,224	16,224	-	-	-	-	-	-
Just Checking - Equipment Purchase	KA016	T Miles	9,312	-	9,312	-	-	-	9,312	9,312	-	-	-	-	-	-
Belulah House - Resurfacing Roadway	KA017	T Miles	5,806	-	5,363	-	-	-	5,363	4,920	443	443	-	443	-	-
The Rowans Refurbishment Works	KA019	T Miles	13,000	-	-	-	-	-	-	-	-	-	-	13,000	-	-
Hearne Way Caretakers Bungalow Refurbishment	KA022	T Miles	10,000	-	-	-	-	-	-	-	-	-	-	10,000	-	-
Redwood - New Kitchen & Bathroom	KA023	T Miles	30,000	-	15,000	-	-	-	15,000	-	15,000	15,000	-	15,000	-	-
Hook Farm Road, Bridgnorth - Refurbishment	KA024	T Miles	110,000	-	50,000	5,000	-	-	55,000	-	55,000	55,000	-	55,000	-	-
West Lodge Shelton Adaptions	KA026	T Miles	33,640	-	33,640	-	-	-	33,640	33,640	-	-	-	-	-	-
Aquamira - New Pool Cover/ additional changing rooms	KA027	T Miles	60,000	-	-	-	-	-	-	-	-	-	-	60,000	-	-
Aquamira - New Sensory Equipment	KA028	T Miles	12,000	-	-	-	-	-	-	-	-	-	-	12,000	-	-
Blackfriars - Bathroom Upgrade	KA029	T Miles	7,842	-	-	7,842	-	-	7,842	7,842	-	-	-	-	-	-
<b>Total</b>					1,145,597	-	-	-	1,145,597	610,555	535,042	535,042		1,926,054	-	-
<b>Housing Health &amp; Wellbeing</b>																
Disabled Facilities Grants	K5P03	A Begley	Ongoing	-	1,579,128	-	-	-	1,579,128	1,526,059	53,069	53,069	-	1,853,069	-	-
HOLD Project	K5P04	A Begley	Ongoing	-	500,000	-	-	-	500,000	-	500,000	500,000	-	2,415,000	-	-
<b>Total</b>					2,079,128	-	-	-	2,079,128	1,526,059	553,069	553,069	-	4,268,069	-	-
<b>Total Adult Services</b>					3,224,725	-	-	-	3,224,725	2,136,614	1,088,111	1,088,111		6,194,123	-	-
<b>Public Health</b>																
<b>Substance Misuse</b>																
Willowdene Capital Grant	KSM01	J Randall	381,951	-	380,000	-	-	-	380,000	378,049	1,951	1,951	-	1,951	-	-
<b>Total</b>					380,000	-	-	-	380,000	378,049	1,951	1,951		1,951	-	-
<b>Help 2 Change</b>																
Help 2 Change Motorised Clinic Vehicle 1	KHC01	J Pearce	67,590	-	67,590	-	-	-	67,590	67,590	-	-	-	32,000	-	-
Help 2 Change Motorised Clinic Vehicle 2	KHC02	J Pearce	64,000	-	32,000	-	-	-	32,000	-	32,000	32,000	-	32,000	-	-
<b>Total</b>					99,590	-	-	-	99,590	67,590	32,000	32,000	-	32,000	-	-
<b>Private Sector Housing</b>																
Market Drayton Empty Property Incentive Grant	K5P14	K Collier	398,483	386,499	11,984	-	-	-	11,984	11,984	-	-	-	-	-	-

## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
Oswestry Area Empty Property Incentive Grant	K5P15	K Collier	58,030	58,030	-	-	-	-	-	-	-	-	-	-	-	-
Whitchurch Area Empty Property Incentive Grant	K5P17	K Collier	317,534	109,119	154,851	-	-	-	154,851	101,287	53,564	53,564	( )	53,564	-	-
Shropshire County Empty Property Incentive Grant	KPS01	K Collier	559,034	-	29,517	-	-	-	29,517	-	29,517	29,517	( )	529,517	-	-
<b>Total</b>					<b>196,352</b>	-	-	-	<b>196,352</b>	<b>113,271</b>	<b>83,081</b>	<b>83,081</b>	<b>( )</b>	<b>583,081</b>	-	-
<b>Total Public Health</b>					<b>675,942</b>	-	-	-	<b>675,942</b>	<b>558,910</b>	<b>117,032</b>	<b>117,032</b>		<b>617,032</b>	-	-
<b>Resources &amp; Support</b>																
<b>Customer Involvement</b>																
<b>ICT Digital Transformation</b>																
ICT Digital Transformation - Unallocated	KIC00	M Leith	7,862,823	-	70,000	(12,115)	-	-	57,885	-	57,885	57,885	-	7,804,938	-	-
ICT Digital Transformation - BCDR Infrastructure Upgrade	KIC01	M Leith	384,885		372,770	12,115	-	-	384,885	384,885	( )	( )	( )	-	-	-
<b>Total</b>					<b>442,770</b>	-	-	-	<b>442,770</b>	<b>384,885</b>	<b>57,885</b>	<b>57,885</b>	<b>( )</b>	<b>7,804,938</b>	-	-
<b>Total Resources &amp; Support</b>					<b>442,770</b>	-	-	-	<b>442,770</b>	<b>384,885</b>	<b>57,885</b>	<b>57,885</b>	<b>( )</b>	<b>7,804,938</b>	-	-
<b>Children's Services</b>																
<b>Children's Safeguarding</b>																
<b>Children's Residential Care</b>																
Children's Residential Care - Buildings Conversion	K3A47	K Bradshaw	54,682	15,986	19,348	-	-	-	19,348	-	19,348	19,348	-	19,348	-	-
<b>Total</b>					<b>19,348</b>	-	-	-	<b>19,348</b>	-	<b>19,348</b>	<b>19,348</b>	-	<b>19,348</b>	-	-
<b>Youth Work</b>																
Youth - Oswestry Teenspace	K3EY4	S Wilkins	2,724,470	2,687,271	37,199	-	-	-	37,199	37,199	( )	( )	( )	-	-	-
<b>Total</b>					<b>37,199</b>	-	-	-	<b>37,199</b>	<b>37,199</b>	<b>( )</b>	<b>( )</b>	<b>( )</b>	-	-	-
<b>Total Children's Safeguarding</b>					<b>56,547</b>	-	-	-	<b>56,547</b>	<b>37,199</b>	<b>19,348</b>	<b>19,348</b>	<b>( )</b>	<b>19,348</b>	-	-
<b>Learning &amp; Skills</b>																
<b>Early Years</b>																
Short Breaks	K3L59	N Ward	453,803	452,876	927	-	-	-	927	927	-	-	-	-	-	-
Early Years Unallocated	KLE00	N Ward	Ongoing	5,000	5,765	(3,687)	-	-	2,078	-	2,078	2,078	-	102,078	-	-
Ludlow Junior Demountable Reconfiguration	KLE02	N Ward	297,807	-	216,486	-	-	-	216,486	135,165	81,321	81,321	-	81,321	-	-
Cressage EY Demountable Refurb	KLE04	N Ward	41,373	-	41,373	-	-	-	41,373	41,373	( )	-	( )	-	-	-
Brockton Primary Early Years	KLE06	N Ward	100,000	-	77,078	(27,078)	-	-	50,000	-	50,000	50,000	-	50,000	-	-
Holy Trinity EY	KLE07	N Ward	24,330	-	10,000	5,765	-	-	15,765	7,200	8,565	8,565	-	8,565	-	-
Much Wenlock Extension EY Demountable	KLE08	N Ward	110,000	-	10,000	25,000	-	-	35,000	-	35,000	35,000	-	75,000	-	-
Stottesdon PS Extension EY Demountable	KLE09	N Ward	40,000	-	20,000	-	-	-	20,000	-	20,000	20,000	-	20,000	-	-
Mereside Primary - St Giles Pre-school Extension & Refurbishment	K3L06	N Ward	171,280	167,847	3,433	-	-	-	3,433	3,433	-	-	-	-	-	-
Broseley John Wilkinson Primary Early Years	K3L11	N Ward	270,806	105	263,860	-	-	-	263,860	257,019	6,841	6,841	( )	6,841	-	-
Worthen Primary Early Years	K3L12	N Ward	150,000	-	20,000	-	-	-	20,000	-	20,000	20,000	-	130,000	-	-
Whitchurch Children's Centre	K3L14	N Ward	33,784	28,979	4,805	-	-	-	4,805	4,804	1	1	1	-	-	-
<b>Total</b>					<b>673,727</b>	-	-	-	<b>673,727</b>	<b>449,922</b>	<b>223,805</b>	<b>223,805</b>		<b>473,805</b>	-	-
<b>Primary Schools</b>																
Primary School Refurbishment Unallocated	KLP00	P Wilson	Ongoing	-	-	-	-	-	-	-	-	-	-	-	-	-
Highley - Reconfigure Office Area & Accessible Toilet	K3A08	P Wilson	146,542	618	89,382	(15,850)	-	-	73,532	1,140	72,392	72,392	-	72,392	-	-
Woodfield Infants - Refurbishment Nursery Demountable/Secure L	K3A30	P Wilson	181,231	181,231	-	-	-	-	-	-	-	-	-	-	-	-
Kinlet Primary - Heads Office/PPA/Lobby Works	K3A54	P Wilson	137,576	2,918	130,411	955	-	-	131,366	131,366	( )	( )	( )	3,292	-	-
Worthen Primary - Secure Lobby	K3A59	P Wilson	195	195	-	-	-	-	-	-	-	-	-	-	-	-
St Laurence Ludlow - Secure Lobby	K3A60	P Wilson	2,004	-	2,004	-	-	-	2,004	2,003	1	-	1	-	-	-
Belvidere Primary Toilet Refurbishment	K3A96	P Wilson	51,877	51,877	4,837	(4,837)	-	-	-	-	-	-	-	-	-	-
Longnor Toilet refurbishment	KLP04	P Wilson	29,002	4,573	24,429	-	-	-	24,429	24,428	1	-	1	-	-	-
St Peters Wern Toilet Remodelling	KLP06	P Wilson	94,979	63,147	29,622	2,210	-	-	31,832	31,832	-	-	-	-	-	-
Cockshutt - Secure Lobby	KLP09	P Wilson	106,105	-	53,150	-	-	-	53,150	195	52,955	52,955	-	52,955	-	-
Lower Heath - Entrance Lobby	KLP10	P Wilson	2,534	-	2,534	-	-	-	2,534	2,534	( )	( )	( )	-	-	-
St Laurence, Ludlow - Entrance Lobby	KLP11	P Wilson	260,360	-	130,800	-	-	-	130,800	1,240	129,560	129,560	-	129,560	-	-
Brown Clec Secure Lobby	KLP13	P Wilson	37,899	-	10,900	15,040	-	-	25,940	13,981	11,959	11,959	( )	11,959	-	-
Bicton Eco Classroom	KLP14	P Wilson	263,930	-	235,306	-	-	-	235,306	211,376	23,930	23,930	( )	28,624	-	-
<b>Total</b>					<b>713,375</b>	<b>(2,482)</b>	-	-	<b>710,893</b>	<b>420,096</b>	<b>290,797</b>	<b>290,796</b>	<b>1</b>	<b>298,782</b>	-	-
<b>Basic Need</b>																
Basic Need Unallocated	KLB00	P Wilson	Ongoing	-	26,363	68,026	-	-	94,389	-	94,389	94,389	-	2,799,353	-	-
Market Drayton - Basic Need	K3181	P Wilson	302,573	225,547	38,513	-	-	-	38,513	-	38,513	38,513	-	38,513	-	-
Shrewsbury Mount Pleasant	KLB01	P Wilson	435,140	1,920	418,080	-	-	-	418,080	456,481	(38,401)	(38,401)	( )	15,140	-	-
Shifnal Primary	KLB03	P Wilson	515,449	3,789	355,555	-	-	-	355,555	213,743	141,812	141,812	-	156,105	-	-
Market Drayton Infant/Junior - Ste TBC	KLB05	P Wilson	420,000	-	20,000	-	-	-	20,000	-	20,000	20,000	-	400,000	-	-

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Shifnal St Andrews	KLB06	P Wilson	840,000	-	40,000	-	-	-	40,000	-	40,000	-	-	800,000	-	-
Sundorne Infants/Harlescott Junior - Site TBC	KLB07	P Wilson	400,000	-	-	-	-	-	-	-	-	-	-	400,000	-	-
Market Drayton Primary	KLB08	P Wilson	400,000	-	-	-	-	-	-	-	-	-	-	400,000	-	-
Shifnal St Andrews	KLB09	P Wilson	400,000	-	-	-	-	-	-	-	-	-	-	400,000	-	-
<b>Total</b>					<b>898,511</b>	<b>68,026</b>	-	-	<b>966,537</b>	<b>670,224</b>	<b>296,313</b>	<b>296,313</b>	-	<b>5,409,111</b>	-	-
<b>School Amalgamations</b>																
School Amalgamations Unallocated	KLA00	P Wilson	Ongoing	-	5,630	-	-	-	5,630	-	5,630	5,630	-	105,630	-	-
Mount Pleasant	K3200	P Wilson	2,890,218	2,840,218	25,000	-	-	-	25,000	-	25,000	25,000	-	25,000	-	-
Holy Trinity	K3201	P Wilson	2,011,044	2,008,069	2,975	-	-	-	2,975	2,975	-	-	-	-	-	-
Bishop Hooper	K3094	P Wilson	3,479,575	3,402,059	38,758	-	-	-	38,758	-	38,758	38,758	-	38,758	-	-
Shawbury Primary / St Mary's Amalgamation	K3207	P Wilson	1,940,992	1,840,408	51,950	-	-	-	51,950	3,316	48,634	48,634	-	48,634	-	-
St Martins - All Through School	K3208	P Wilson	3,329,139	3,314,919	7,110	-	-	-	7,110	-	7,110	7,110	-	7,110	-	-
<b>Total</b>					<b>131,423</b>	-	-	-	<b>131,423</b>	<b>6,291</b>	<b>125,132</b>	<b>125,132</b>	-	<b>225,132</b>	-	-
<b>Secondary Schools</b>																
Secondary School Refurbishment Unallocated	KLS00	P Wilson	Ongoing	-	156	(156)	-	-	-	-	-	-	-	-	-	-
Belvidere Science College Toilet Refurbishment	K3A97	P Wilson	77,920	77,920	522	(522)	-	-	-	-	-	-	-	-	-	-
Olbury Wells Sports Hall	K3155	P Wilson	1,224	-	1,224	-	-	-	1,224	1,224	(0)	-	(0)	-	-	-
Belvidere Secondary School - Hall Refurbishment Phase 1	KLS01	P Wilson	84,476	79,764	5,338	(626)	-	-	4,712	4,712	(0)	-	(0)	-	-	-
Mary Webb - Toilets	KLS02	P Wilson	70,290	69,481	13,926	(13,117)	-	-	809	809	(0)	-	(0)	-	-	-
Ludlow Secondary School - Science Lab Refurbishment C3	KLS03	P Wilson	89,438	89,438	14,861	(14,861)	-	-	-	-	-	-	-	-	-	-
Bishops Castle CC - Changing Rooms	KLS04	P Wilson	79,844	2,359	77,485	-	-	-	77,485	77,485	-	-	-	-	-	-
Bishops Castle CC - Block B Toilet Refurb	KLS07	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mary Webb - Secure Lobby & Office remodel	KLS08	P Wilson	88,829	-	88,829	-	-	-	88,829	88,829	-	-	-	-	-	-
Grove - Science Lab Refurb	KLS09	P Wilson	137,248	-	115,953	-	-	-	115,953	94,658	21,295	21,295	-	21,295	-	-
Ludlow Secondary - Secure Lobby	KLS10	P Wilson	84,619	-	43,600	(801)	-	-	42,799	979	41,820	41,820	-	41,820	-	-
<b>Total</b>					<b>361,894</b>	<b>(30,083)</b>	-	-	<b>331,811</b>	<b>268,696</b>	<b>63,115</b>	<b>63,115</b>	-	<b>63,115</b>	-	-
<b>Suitability</b>																
Farlow Primary- PPA Space & Headteachers Office	KLS11	P Wilson	49,950	-	-	-	-	-	-	-	-	-	-	49,950	-	-
Norbury Primary- PPA Space	KLS12	P Wilson	76,300	-	-	-	-	-	-	-	-	-	-	76,300	-	-
Stoke On Tern Primary - PPA Space	KLS13	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Hodnet - Secure Access	KLS14	P Wilson	155,400	-	-	-	-	-	-	-	-	-	-	155,400	-	-
<b>Total</b>														<b>314,350</b>	-	-
<b>Energy Efficiency</b>																
Various - Boiler Control Replacement	KL006	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Whitchurch Infants - phase 2 single pipe heating system	KL007	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Mereside Primary - Boiler & Controls Upgrade	KL003	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Stiperstones - Boiler & Controls Upgrade	KL004	P Wilson	98,100	-	-	-	-	-	-	-	-	-	-	98,100	-	-
Trinity, Ford - Replace Heating Boiler	KL005	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
<b>Total</b>														<b>272,500</b>	-	-
<b>Universal Infant Free School Meals</b>																
School Kitchen Unallocated (Capitalised DSG)	KLK00	P Wilson	-	-	9,958	(9,958)	-	-	-	-	-	-	-	-	-	-
St John the Baptist, Ruyton X1 Towns - Extend Kitchen	KLK05	P Wilson	144,968	3,063	134,043	7,808	-	-	141,851	141,797	54	54	-	54	-	-
Gobowen - Kitchen Upgrade	KLK15	P Wilson	4,796	-	4,796	-	-	-	4,796	4,796	-	-	-	-	-	-
Woore - Kitchen Upgrade	KLK16	P Wilson	7,366	-	10,900	(3,534)	-	-	7,366	7,366	-	-	-	-	-	-
Radbrook - Kitchen Ventilation & Fire Door	KLK17	P Wilson	12,964	-	12,964	-	-	-	12,964	12,964	(0)	-	(0)	-	-	-
Church Preen - Kitchen Upgrade	KLK18	P Wilson	52,140	-	52,140	-	-	-	52,140	52,140	(0)	-	(0)	-	-	-
<b>Total</b>					<b>224,801</b>	<b>(5,684)</b>	-	-	<b>219,117</b>	<b>219,063</b>	<b>54</b>	<b>54</b>	<b>(0)</b>	<b>54</b>	-	-
<b>Condition</b>																
Condition Unallocated	KL000	P Wilson	Ongoing	-	1,509	302,070	-	-	303,579	-	303,579	303,579	-	380,973	-	-
Rushbury Primary Re Roof Pitch Roof	K3RD2	P Wilson	44,250	44,250	18,656	(18,656)	-	-	-	-	-	-	-	-	-	-
Albrighton Primary Bring Single Pipe Heating System above Floor	K3RE1	P Wilson	74,452	41,502	32,950	-	-	-	32,950	32,951	(1)	-	(1)	-	-	-
Bomere Heath Insulate Ceiling Voids	K3RE7	P Wilson	38,895	38,609	285	1	-	-	286	286	(0)	-	(0)	-	-	-
Crowmoor Primary General Roof Repairs	K3RF6	P Wilson	18,154	18,154	5,299	(5,299)	-	-	-	-	-	-	-	-	-	-
Shifnal Primary Replace High Level Window Frames to Hall	K3RJ5	P Wilson	25,312	190	25,524	(402)	-	-	25,122	25,122	-	-	-	-	-	-
St Andrews Nesscliffe - Ceiling & Rewire	K3RJ8	P Wilson	892	-	892	-	-	-	892	892	(0)	-	(0)	-	-	-
St George's Roofing & Guttering Issues	K3RJ9	P Wilson	11,654	6,972	13,228	(8,546)	-	-	4,682	4,683	(1)	-	(1)	-	-	-
Meole Brace Primary - Re-roof (Southeast) flat roofs	K3RK4	P Wilson	56,981	48,802	17,864	(9,685)	-	-	8,179	8,179	-	-	-	-	-	-
Thomas Adams - Replace Science Classroom Windows	K3RK9	P Wilson	35,557	-	35,164	393	-	-	35,557	35,557	-	-	-	-	-	-
Woodlands - Replace Slate Roof Coverings	K3RL6	P Wilson	42,923	2,645	40,455	(1,777)	-	-	40,278	40,278	(0)	-	(0)	-	-	-
Crowmoor - Refenestration of 7 Classrooms	KL017	P Wilson	59,327	59,327	502	(502)	-	-	-	-	-	-	-	-	-	-
Belvidere Primary -Window replacements to main school	KL032	P Wilson	6,343	-	4,905	1,438	-	-	6,343	6,343	-	-	-	-	-	-
St Andrews, Shifnal -Localised reeroof	KL034	P Wilson	54,163	52,921	1,242	-	-	-	1,242	1,242	(0)	-	(0)	-	-	-
Ludlow Secondary - Boiler & Controls Upgrade	KL039	P Wilson	40,594	143	40,451	-	-	-	40,451	40,450	1	-	1	-	-	-
Oldbury Wells East - Boiler & Controls Upgrade	KL041	P Wilson	103,233	94,730	8,503	-	-	-	8,503	8,503	(0)	-	(0)	-	-	-
Tilstock - Boiler & Controls Upgrade	KL043	P Wilson	47,948	47,349	19,491	(18,892)	-	-	599	600	(1)	-	(1)	-	-	-
Whitchurch Junior - Boiler & Controls Upgrade	KL044	P Wilson	58,110	190	57,920	-	-	-	57,920	57,920	-	-	-	-	-	-
Farlow - Re-roofing the Main Pitched Roof	KL045	P Wilson	79,843	22,340	45,472	12,031	-	-	57,503	57,503	(0)	-	(0)	-	-	-
Beckbury School House - Felt Underside of Roof & Replace	KL049	P Wilson	32,672	-	21,800	(5,464)	-	-	16,336	-	16,336	16,336	-	16,336	-	-
Mary Webb - Dining Room Roof, Drainage	KL057	P Wilson	112,308	92,318	24,061	(4,071)	-	-	19,990	19,990	(0)	-	(0)	-	-	-

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John Wilkinson Primary - Improvement Storm Drainage to GP Road	KL059	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stoke on Tern - Replacement Windows to Rear Elevation	KL060	P Wilson	39,758	172	34,455	-	-	-	34,455	29,324	5,131	5,131	(1)	5,131	-	-
Stiperstones - Repairs to Demountable	KL062	P Wilson	2,813	-	2,813	-	-	-	2,813	2,813	-	-	-	-	-	-
St Giles - Phase 1&2 Rewire	KL066	P Wilson	63,054	250	68,027	(5,223)	-	-	62,804	62,805	(1)	-	(1)	-	-	-
Kinlet - Replacement of Rotten Timber Suspended Floor to Old Classroom	KL069	P Wilson	77	77	-	-	-	-	-	-	-	-	-	-	-	-
Moreton Say - Re-Roofing of Original Main Building	KL071	P Wilson	92,114	-	110,335	(20,183)	-	-	90,152	88,190	1,962	1,962	-	1,962	-	-
Pontesbury - Reroofing the School Hall & Classroom 6	KL073	P Wilson	39,045	39,045	872	(872)	-	-	-	-	-	-	-	-	-	-
Hope - 1st Phase re-roof of School to include Remedial Drainage	KL074	P Wilson	10,458	10,458	-	-	-	-	-	-	-	-	-	-	-	-
Albrighton, St Marys - Part Reroof Infants	KL083	P Wilson	71,679	-	71,679	-	-	-	71,679	71,679	-	-	-	-	-	-
Alveley - replace rotten timber classroom external doors.	KL093	P Wilson	8,501	-	8,501	-	-	-	8,501	8,501	-	-	-	-	-	-
Oldbury Wells East - Re-roofing Science Block	KL097	P Wilson	55,121	53,857	1,264	-	-	-	1,264	-	(1)	-	(1)	-	-	-
Sheriffhales - Roof repairs to demountable	KL098	P Wilson	2,097	690	1,407	-	-	-	1,407	1,407	-	-	-	-	-	-
Hadnall - fenestration	KL100	P Wilson	23,863	9,851	37,019	(23,007)	-	-	14,012	14,013	(1)	-	(1)	-	-	-
St Georges - Window fenestration	KL104	P Wilson	24,292	24,292	46,558	(46,558)	-	-	-	-	-	-	-	-	-	-
St Giles - Reroof 2 no. demountables	KL112	P Wilson	42,923	42,923	-	-	-	-	-	-	-	-	-	-	-	-
Hinstock - Demountable windows	KL113	P Wilson	7,756	7,756	5,324	(5,324)	-	-	-	-	-	-	-	-	-	-
Bishops Castle CC - Hall re fenestration	KL114	P Wilson	81,828	47,244	34,584	-	-	-	34,584	34,584	(1)	-	(1)	-	-	-
Cockshutt - Reroof Demountable	KL118	P Wilson	12,865	12,289	288	-	-	-	288	-	288	288	-	288	-	-
Cheswardine - Rewire Phase 1	KL121	P Wilson	28,399	26,778	4,651	(3,783)	-	-	868	115	753	753	(1)	753	-	-
Lower Heath - Rewire Phase 1	KL122	P Wilson	18,236	17,327	4,201	(3,292)	-	-	909	909	(1)	-	(1)	-	-	-
Ellesmere Primary - Survey Ducts	KL126	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Church Preen - Phase 1 Rewire	KL128	P Wilson	10,871	-	10,871	-	-	-	10,871	10,871	-	-	-	-	-	-
Longnor - Retaining Wall	KL130	P Wilson	3,924	-	3,270	654	-	-	3,924	3,924	-	-	-	-	-	-
Much Wenlock Primary - Insulate Roof Space	KL132	P Wilson	6,492	-	5,956	536	-	-	6,492	6,492	-	-	-	-	-	-
Ludlow Junior - Replacement Windows	KL135	P Wilson	10,398	-	10,398	-	-	-	10,398	10,398	(1)	-	(1)	-	-	-
Ludlow Secondary - Replace Kitchen Windows	KL136	P Wilson	4,623	-	4,623	-	-	-	4,623	4,623	-	-	-	-	-	-
Castlefields, Bridgnorth EYFS - Replacement Windows	KL137	P Wilson	13,391	7,100	6,291	-	-	-	6,291	6,291	-	-	-	-	-	-
Farlow - Retaining Wall	KL140	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hinstock - Replace Windows	KL142	P Wilson	13,252	-	12,135	-	-	-	12,135	11,018	1,117	1,117	-	1,117	-	-
Coleham - New Boiler	KL143	P Wilson	59,482	-	69,892	(10,410)	-	-	59,482	59,482	(1)	-	(1)	-	-	-
Meadows Primary - Phase 1 Rewire	KL144	P Wilson	30,893	-	30,893	-	-	-	30,893	30,893	-	-	-	-	-	-
Cockshutt - Classroom Windows	KL145	P Wilson	22,553	-	22,553	-	-	-	22,553	22,553	(1)	-	(1)	-	-	-
Stoke on Tern - Window Replacement Phase 3	KL146	P Wilson	19,551	-	19,551	-	-	-	19,551	19,551	-	-	-	-	-	-
Bridgnorth St Leonards - Phase 2 Rewire	KL147	P Wilson	32,340	-	32,297	43	-	-	32,340	32,340	(1)	-	(1)	-	-	-
Coleham - Flat Roofs	KL149	P Wilson	65,704	-	65,704	-	-	-	65,704	65,704	(1)	-	(1)	-	-	-
Bomere Heath - Phase 3 Rewire & Kitchen Replacement	KL150	P Wilson	139,857	-	139,692	-	-	-	139,692	139,527	165	165	-	165	-	-
Belvidere Primary - Phase 1 Windows	KL151	P Wilson	43,241	-	27,029	-	-	-	27,029	10,817	16,212	16,212	-	16,212	-	-
Highley - Phase 3 Rewire	KL152	P Wilson	83,035	-	83,035	-	-	-	83,035	83,035	(1)	-	(1)	-	-	-
Crowmoor - New Floors in Two Classrooms	KL154	P Wilson	16,340	-	19,202	(2,862)	-	-	16,340	16,340	(1)	-	(1)	-	-	-
St Andrews CE Primary - Phase 2 Reroof	KL155	P Wilson	35,847	-	34,930	-	-	-	34,930	34,213	717	717	-	717	-	-
Shifnal - Phase 2 Replace Lighting	KL156	P Wilson	16,941	-	16,941	-	-	-	16,941	16,941	-	-	-	-	-	-
Trinity, Ford - Phase 2 Rewire	KL157	P Wilson	58,674	-	55,676	-	-	-	55,676	52,678	2,998	2,998	(1)	2,998	-	-
Longnor - Phase 2 Rewire	KL158	P Wilson	28,923	-	28,923	-	-	-	28,923	28,923	(1)	-	(1)	-	-	-
St Lawrence - Phase 2 Rewire	KL159	P Wilson	43,099	-	43,099	-	-	-	43,099	43,099	-	-	-	-	-	-
Oakmeadow - Phase 1 Reroof	KL160	P Wilson	72,465	-	80,305	(7,840)	-	-	72,465	72,465	-	-	-	-	-	-
BCCC - English Block Toilets	KL161	P Wilson	125,187	-	90,821	-	-	-	90,821	56,455	34,366	34,366	-	34,366	-	-
BCCC - Phase 1 Rewire	KL162	P Wilson	20,686	-	20,686	-	-	-	20,686	20,686	(1)	-	(1)	-	-	-
Ludlow School - Rosla Block Reroof	KL163	P Wilson	96,176	-	96,176	-	-	-	96,176	96,176	(1)	-	(1)	-	-	-
Albrighton - Foundation/KS1 Toilets	KL164	P Wilson	29,041	-	30,493	(1,452)	-	-	29,041	29,041	-	-	-	-	-	-
Morda - Replace Main Block Slate Roof	KL165	P Wilson	22,274	-	22,274	-	-	-	22,274	22,274	(1)	-	(1)	-	-	-
Grove - Phase 3 Curtain Walling	KL166	P Wilson	129,760	-	119,266	-	-	-	119,266	108,772	10,494	10,494	(1)	10,494	-	-
Moreton Say - Windows Replacement	KL167	P Wilson	12,907	-	13,728	(2,605)	-	-	11,123	9,339	1,784	1,784	(1)	1,784	-	-
Ludlow Junior - Phase 2 Rewire	KL168	P Wilson	19,652	-	18,844	808	-	-	19,652	19,652	(1)	-	(1)	-	-	-
Cheswardine - Phase 2 Rewire	KL169	P Wilson	31,316	-	33,933	(2,617)	-	-	31,316	31,316	-	-	-	-	-	-
Newtown Primary 1st Phase Rewire & Switchgear Change	KL170	P Wilson	30,620	-	32,842	(2,222)	-	-	30,620	30,620	-	-	-	-	-	-
Ludlow Secondary - Phase 2 Rewire	KL171	P Wilson	30,067	-	30,067	-	-	-	30,067	30,067	-	-	-	-	-	-
Woodfield - Phase 2 Windows	KL172	P Wilson	50,803	-	50,803	-	-	-	50,803	50,803	-	-	-	-	-	-
Woodfield - Reroof & Insulation of Demountable	KL173	P Wilson	8,991	-	13,571	(4,580)	-	-	8,991	8,991	(1)	-	(1)	-	-	-
Moreton Say - Rewire & Toilet Refurb	KL175	P Wilson	90,567	-	98,822	(8,255)	-	-	90,567	90,567	-	-	-	-	-	-
St Peters Wem - Phase 2 Reroof	KL176	P Wilson	92,514	-	98,589	(6,075)	-	-	92,514	92,514	-	-	-	-	-	-
Minsterley - Phase 3 Windows	KL177	P Wilson	22,597	-	23,383	(786)	-	-	22,597	22,597	-	-	-	-	-	-
Mary Webb - Reroof Science Block	KL178	P Wilson	63,967	-	68,928	(4,961)	-	-	63,967	63,967	-	-	-	-	-	-
Hope - Phase 2 Reroof	KL179	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Market Drayton Junior - Replace Stonework	KL180	P Wilson	10,695	-	11,229	(534)	-	-	10,695	10,695	-	-	-	-	-	-
St Martins - Phase 3 Rewire	KL181	P Wilson	31,607	-	31,607	-	-	-	31,607	31,607	-	-	-	-	-	-
Stoke on Tern - Phase 2 Rewire	KL182	P Wilson	20,307	-	20,307	-	-	-	20,307	20,307	(1)	-	(1)	-	-	-
Thomas Adams - Phase 2 Rewire	KL183	P Wilson	32,606	-	32,606	-	-	-	32,606	32,606	(1)	-	(1)	-	-	-
Myddle - Phase 1 Rewire	KL184	P Wilson	33,405	-	32,434	971	-	-	33,405	33,405	-	-	-	-	-	-
Cockshutt - Phase 1 Rewire	KL185	P Wilson	20,683	-	20,683	-	-	-	20,683	20,683	-	-	-	-	-	-



## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
Church Preen - Phase 2 Rewire	KL186	P Wilson	14,346	-	14,346	-	-	-	14,346	14,346	(1)	-	(1)	-	-	-
Selattyn - Phase 1&2 Heating	KL187	P Wilson	41,113	-	42,720	(1,958)	-	-	40,762	40,411	351	351	(1)	351	-	-
Meole Brace Primary - Phase 2 Rewire & Ceiling Removal	KL188	P Wilson	37,289	-	41,270	(3,981)	-	-	37,289	37,289	-	-	-	-	-	-
Woodfield Inf - Floor & Rebuild Brick Piers	KL189	P Wilson	5,397	-	27,250	(21,853)	-	-	5,397	5,397	-	-	-	-	-	-
Market Drayton Infant - Replace Floor	KL190	P Wilson	6,089	-	6,089	-	-	-	6,089	6,089	(1)	-	(1)	-	-	-
Alveley - Windows Class 2/3	KL191	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prees - Replace Heat Pumps	KL192	P Wilson	6,873	-	6,873	-	-	-	6,873	6,873	(1)	-	(1)	-	-	-
Stoke on Tern - Replace Oil Tank	KL193	P Wilson	5,155	-	5,155	-	-	-	5,155	5,155	(1)	-	(1)	-	-	-
Highley - Phase 2 Windows	KL194	P Wilson	31,764	-	31,764	-	-	-	31,764	31,764	(1)	-	(1)	-	-	-
Sheriffhales - Dampproof Classroom	KL195	P Wilson	8,267	-	8,267	-	-	-	8,267	8,267	-	-	-	-	-	-
Radbrook - Demountable Windows	KL196	P Wilson	5,084	-	5,084	-	-	-	5,084	5,084	-	-	-	-	-	-
Hadnall Reroofing	KL197	P Wilson	33,200	-	38,239	(5,039)	-	-	33,200	33,200	-	-	-	-	-	-
Newtown Primary Flat Roof & High Level Cladding	KL198	P Wilson	18,282	-	22,190	(3,908)	-	-	18,282	18,282	(1)	-	(1)	-	-	-
Prees - Reroof Main School	KL199	P Wilson	13,110	-	20,664	(7,863)	-	-	12,801	12,492	309	309	(1)	309	-	-
Various - Boiler Control Replacement	KL200	P Wilson	44,773	-	49,748	(4,975)	-	-	44,773	44,773	(1)	-	(1)	-	-	-
Christ Church Cressage Primary School - Reroof Demountable	KL201	P Wilson	10,601	-	10,601	-	-	-	10,601	10,601	(1)	-	(1)	-	-	-
Whitchurch Infants - Phase 1 Rewire	KL202	P Wilson	20,441	-	22,032	(1,591)	-	-	20,441	20,441	-	-	-	-	-	-
Coleham - Replace Floors	KL203	P Wilson	30,637	-	30,637	-	-	-	30,637	30,637	(1)	-	(1)	-	-	-
Belvidere Secondary - Phase 4 Rewire	KL204	P Wilson	92,248	-	87,767	-	-	-	87,767	83,286	4,481	4,481	(1)	4,481	-	-
Meole Brace Secondary - Refurb of Demountable	KL205	P Wilson	27,251	-	27,251	-	-	-	27,251	27,251	(1)	-	(1)	-	-	-
St Leonards Primary School KS1 Hall Refenestration	KL206	P Wilson	73,806	-	63,539	345	-	-	63,884	53,962	9,922	9,922	(1)	9,922	-	-
Shifnal St Andrews - KS2 Toilets	KL207	P Wilson	98,760	-	80,861	-	-	-	80,861	62,962	17,899	17,899	-	17,899	-	-
Mary Webb - Phase 2 Windows	KL208	P Wilson	147,952	-	147,314	-	-	-	147,314	146,676	638	638	-	638	-	-
Minsterley - Boundary Wall	KL209	P Wilson	11,255	-	11,255	-	-	-	11,255	11,255	(1)	-	(1)	-	-	-
Hodnet - Phase 4 Rewire	KL210	P Wilson	18,587	-	18,587	-	-	-	18,587	18,587	-	-	-	-	-	-
Whixhall School Drainage	KL211	P Wilson	11,652	-	12,742	(1,090)	-	-	11,652	11,652	(1)	-	(1)	-	-	-
Belvidere Secondary Replace Hot Water Cylinder	KL212	P Wilson	19,540	-	21,800	(2,260)	-	-	19,540	19,540	(1)	-	(1)	-	-	-
Meole Brace Primary Storm Drain Replacement	KL213	P Wilson	10,122	-	10,900	(1,923)	-	-	8,977	7,832	1,145	1,145	-	1,145	-	-
Community College Bishops Castle - Replace Boiler & Controls	KL214	P Wilson	167,412	-	147,150	(29,803)	-	-	117,347	67,282	50,065	50,065	-	50,065	-	-
Mary Webb Fenestrations	KL215	P Wilson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meole Brace Secondary - Replace External Stairs to B1 Quad	KL216	P Wilson	32,700	-	16,350	-	-	-	16,350	-	16,350	16,350	-	16,350	-	-
Selattyn - Demolition of Outside Store and make good	KL217	P Wilson	64,865	-	32,700	(220)	-	-	32,480	95	32,385	32,385	-	32,385	-	-
Radbrook Primary - External Wall	KL218	P Wilson	2,194	-	1,317	877	-	-	2,194	2,195	(1)	-	(1)	-	-	-
Woodfield Heating Mains Renewal	KL219	P Wilson	11,570	-	-	11,570	-	-	11,570	11,570	(1)	-	(1)	-	-	-
St Georges Junior Playing Field	KL220	P Wilson	18,438	-	-	18,438	-	-	18,438	18,438	(1)	-	(1)	-	-	-
Holy Trinity Doors & Windows Replacement	KL221	P Wilson	3,734	-	-	3,734	-	-	3,734	3,734	(1)	-	(1)	-	-	-
Oakmeadow School Kitchen Ventilation	KL222	P Wilson	14,633	-	-	14,633	-	-	14,633	14,633	(1)	-	(1)	-	-	-
St Georges Junior Switchgear Replacement	KL223	P Wilson	27,730	-	-	27,730	-	-	27,730	27,730	-	-	-	-	-	-
St Andrews Shifnal Switchgear Replacement	KL224	P Wilson	20,350	-	-	20,350	-	-	20,350	20,350	(1)	-	(1)	-	-	-
Church Preen Switchgear Replacement	KL225	P Wilson	8,880	-	-	8,880	-	-	8,880	8,880	(1)	-	(1)	-	-	-
Belvidere Primary - Re-fenestration and asbestos removal	KL300	P Wilson	27,250	-	-	-	-	-	-	-	-	-	-	27,250	-	-
Belvidere Secondary - Re-roof Hall	KL301	P Wilson	87,200	-	-	-	-	-	-	-	-	-	-	87,200	-	-
Coleham Primary - Phase 1 re-wire	KL302	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Crowmoor Primary - Re-fenestration to Hall & Kitchen	KL303	P Wilson	87,200	-	-	-	-	-	-	-	-	-	-	87,200	-	-
Bishops Castle Primary - Demountable re-roof	KL304	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Bishops Castle CC - Block A re-roof	KL305	P Wilson	87,200	-	-	-	-	-	-	-	-	-	-	87,200	-	-
Belvidere Secondary - Phase 5 re-wire	KL306	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
St Marys Abbington - Renewal of fan convectors	KL364	P Wilson	38,150	-	-	-	-	-	-	-	-	-	-	38,150	-	-
Gobowen Primary - Replace Kitchen Windows	KL307	P Wilson	10,900	-	-	-	-	-	-	-	-	-	-	10,900	-	-
Mary Webb Secondary - Phase 2 Replacement Windows	KL308	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Mary Webb Secondary - Humanities Block re-wire	KL309	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Coleham Primary - Phase 3 Walls, Windows & Doors	KL310	P Wilson	49,050	-	-	-	-	-	-	-	-	-	-	49,050	-	-
Weston Rhyn Primary - Replace Corridor Windows	KL311	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Whitchurch Infants - Phase 2 re-wire	KL312	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Market Drayton Infant - Replacement Windows & Doors	KL313	P Wilson	65,400	-	-	-	-	-	-	-	-	-	-	65,400	-	-
St Giles Primary - Phase 3 Re-wire	KL314	P Wilson	76,300	-	-	-	-	-	-	-	-	-	-	76,300	-	-
Thomas Adams - Kitchen Fan & Canopy replacement	KL315	P Wilson	38,150	-	-	-	-	-	-	-	-	-	-	38,150	-	-
Woore Primary - Phase 1 re-wire	KL316	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Coleham Primary - Replace Gas Meter & Pipework	KL317	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Meole Brace Primary - Re-roof KS2	KL318	P Wilson	76,300	-	-	-	-	-	-	-	-	-	-	76,300	-	-
Brockton Primary - Phase 1 re-wire	KL319	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Sundorne Infants - Phase 3 window replacement	KL320	P Wilson	27,250	-	-	-	-	-	-	-	-	-	-	27,250	-	-
Pontesbury Primary - Phase 2 window replacement	KL321	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Whitchurch Infants - Classroom Floors	KL322	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Hinstock Primary - Re-roof	KL323	P Wilson	65,400	-	-	-	-	-	-	-	-	-	-	65,400	-	-
Trinity, Ford - Final re-wire	KL324	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Belvidere Secondary - Block 1 re-roof	KL325	P Wilson	109,000	-	-	-	-	-	-	-	-	-	-	109,000	-	-
Hadnall Primary - Main Toilet Refurbishment	KL326	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Cheswardine Primary - Demountable Window Replacement	KL327	P Wilson	10,900	-	-	-	-	-	-	-	-	-	-	10,900	-	-

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Bishops Castle CC - Phase 2 re-wire	KL328	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Kinnerley Primary - Phase 1 Heating	KL329	P Wilson	49,050	-	-	-	-	-	-	-	-	-	-	49,050	-	-
Lower Heath Primary -Phase 2 Window Replacement	KL330	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Mereside Primary - Phase 1 re-wire	KL331	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Pontesbury Primary - KS2 Girls Toilet Refurbishment	KL332	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
St Laurence, Ludlow - Hall & Corridor re-wire	KL333	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Market Drayton Infant - Demountable Window Replacement	KL334	P Wilson	19,620	-	-	-	-	-	-	-	-	-	-	19,620	-	-
Church Preen Primary - Toilet refurbishment	KL335	P Wilson	43,600	-	-	-	-	-	-	-	-	-	-	43,600	-	-
Cockshutt Primary - Toilet refurbishment	KL336	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Hinstock Primary - Toilet refurbishment	KL337	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Market Drayton Junior - Phase 1 Windows	KL338	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Much Wenlock - KS2 Toilet refurbishment	KL339	P Wilson	16,350	-	-	-	-	-	-	-	-	-	-	16,350	-	-
Newtown Primary - Toilet refurbishment	KL340	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
St Georges Primary - Phase 2 Toilet refurbishment	KL341	P Wilson	43,600	-	-	-	-	-	-	-	-	-	-	43,600	-	-
St Lawrence Primary - Toilet refurbishment	KL342	P Wilson	65,400	-	-	-	-	-	-	-	-	-	-	65,400	-	-
Stiperstones Primary - Toilet refurbishment	KL343	P Wilson	43,600	-	-	-	-	-	-	-	-	-	-	43,600	-	-
Trinity Ford - Junior Toilet refurbishment	KL344	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Woore Primary - Toilet refurbishment	KL345	P Wilson	38,150	-	-	-	-	-	-	-	-	-	-	38,150	-	-
St Peters Wem, Phase 3 slate re-roof	KL346	P Wilson	98,100	-	-	-	-	-	-	-	-	-	-	98,100	-	-
Castlefields Primary - replacement windows	KL347	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Thomas Adams - window repalcement	KL348	P Wilson	43,600	-	-	-	-	-	-	-	-	-	-	43,600	-	-
Grove - Window fenestration 3 storey block	KL349	P Wilson	152,600	-	-	-	-	-	-	-	-	-	-	152,600	-	-
Hinstock Primary - window repalcement	KL350	P Wilson	27,250	-	-	-	-	-	-	-	-	-	-	27,250	-	-
Woodfield Primary - replace kitchen roof	KL365	P Wilson	92,650	-	-	-	-	-	-	-	-	-	-	92,650	-	-
Thomas Adams - Phase 3 re-wire	KL351	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Bryn Offa Primary - Phase 3 re-wire	KL352	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Brockton Primary - replace front elevation windows	KL353	P Wilson	21,800	-	-	-	-	-	-	-	-	-	-	21,800	-	-
Brockton Primary - part re-wire, asbestos removal	KL354	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Much Wenlock - rotten timber replacement	KL355	P Wilson	32,700	-	-	-	-	-	-	-	-	-	-	32,700	-	-
Meole Brace Primary - KS2 Hall re-roof	KL356	P Wilson	49,050	-	-	-	-	-	-	-	-	-	-	49,050	-	-
Meole Brace Secondary - replacement of timber to south	KL357	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Meole Brace Secondary - replacement of timber to side	KL358	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Meole Brace Secondary - replacement of timber windows	KL359	P Wilson	38,150	-	-	-	-	-	-	-	-	-	-	38,150	-	-
Minsterley Primary - Phase 1 re-wire	KL360	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Meole Brace Primary - Phase 3 re-wire	KL361	P Wilson	54,500	-	-	-	-	-	-	-	-	-	-	54,500	-	-
Chirbury Primary - Demountable Toilet refurbishment	KL362	P Wilson	27,250	-	-	-	-	-	-	-	-	-	-	27,250	-	-
Stiperstones Primary - remove render & repair stone	KL363	P Wilson	27,250	-	-	-	-	-	-	-	-	-	-	27,250	-	-
<b>Total</b>					<b>3,745,079</b>	<b>104,795</b>	-	-	<b>3,849,874</b>	<b>3,320,431</b>	<b>529,443</b>	<b>529,447</b>	<b>(4)</b>	<b>3,509,511</b>	-	-
<b>Fire Safety Schemes</b>																
Fire Safety - Unallocated	KLF00	P Wilson	Ongoing	-	3,346	(3,346)	-	-	-	-	-	-	-	-	-	-
Fire Safety - St Andrews CE Primary	KLF01	P Wilson	34,862	-	36,079	(1,217)	-	-	34,862	34,862	-	-	-	-	-	-
Fire Safety - The Meadows Oswestry	KLF03	P Wilson	25,801	495	25,306	-	-	-	25,306	25,306	-	-	-	-	-	-
Fire Safety - Alveley Primary	KLF05	P Wilson	5,037	401	10,900	(6,929)	-	-	3,971	3,306	665	665	-	665	-	-
Fire Safety - Market Drayton Infants	KLF08	P Wilson	9,645	-	8,202	(2,216)	-	-	5,986	2,327	3,659	3,659	-	3,659	-	-
Fire Safety - St Thomas & St Anne	KLF13	P Wilson	6,625	748	5,877	-	-	-	5,877	5,877	-	-	-	-	-	-
Fire Safety - Sheriffhales	KLF14	P Wilson	5,237	457	5,579	(799)	-	-	4,780	4,781	(1)	-	(1)	-	-	-
Fire Safety - Rushbury	KLF15	P Wilson	12,264	469	11,795	-	-	-	11,795	11,794	1	-	1	-	-	-
Fire Safety - Beckbury	KLF16	P Wilson	11,736	436	11,956	(656)	-	-	11,300	11,300	-	-	-	-	-	-
Fire Safety - Adderley	KLF17	P Wilson	3,306	412	7,630	(4,736)	-	-	2,894	2,894	-	-	-	-	-	-
Fire Safety - Trinity Ford	KLF18	P Wilson	23,946	-	33,091	(9,145)	-	-	23,946	23,946	(1)	-	(1)	-	-	-
Fire Safety - Gobowen	KLF19	P Wilson	29,399	-	16,763	(1,857)	-	-	14,906	413	14,493	14,493	(1)	14,493	-	-
Fire Safety - Weston Rhyn	KLF20	P Wilson	22,309	-	16,715	(5,378)	-	-	11,337	365	10,972	10,972	-	10,972	-	-
Fire Safety - Trefonen	KLF21	P Wilson	33,067	-	16,717	-	-	-	16,717	367	16,350	16,350	-	16,350	-	-
Fire Safety - Hadnall	KLF23	P Wilson	15,371	-	22,019	(9,565)	-	-	12,454	9,537	2,917	2,917	(1)	2,917	-	-
Fire Safety - Myddle	KLF24	P Wilson	12,368	-	13,142	(774)	-	-	12,368	12,368	(1)	-	(1)	-	-	-
Fire Safety - St Andrews Nesscliffe	KLF25	P Wilson	2,052	-	7,851	(5,799)	-	-	2,052	2,052	-	-	-	-	-	-
Fire Safety - Brockton	KLF26	P Wilson	14,043	-	14,043	-	-	-	14,043	14,043	-	-	-	-	-	-
Fire Safety - Clive Primary Fire Alarm Replacement	KLF30	P Wilson	5,450	-	-	-	-	-	-	-	-	-	-	5,450	-	-
<b>Total</b>					<b>267,011</b>	<b>(52,417)</b>	-	-	<b>214,594</b>	<b>165,536</b>	<b>49,058</b>	<b>49,056</b>	<b>2</b>	<b>54,506</b>	-	-
<b>Special Education Needs</b>																
Schools Access Initiative Unallocated	KLD00	P Wilson	Ongoing	-	619	(619)	-	-	-	-	-	-	-	50,000	-	-
Criftons Changing Bench	KLD01	P Wilson	4,598	-	4,816	(218)	-	-	4,598	4,598	-	-	-	-	-	-
St Laurence - Changing Table	KLD02	P Wilson	15,536	-	15,536	-	-	-	15,536	15,536	-	-	-	-	-	-
Mereside Changing Bernch & Rail	KLD03	P Wilson	8,875	-	8,875	-	-	-	8,875	8,875	(1)	-	(1)	-	-	-
Stoke-on-Tern Changing Table	KLD04	P Wilson	5,043	-	5,288	(245)	-	-	5,043	5,043	(1)	-	(1)	-	-	-
Kettlemere Centre - Lakelands	K3CX0	P Wilson	952,516	922,777	91,764	(68,026)	-	-	23,738	17,737	6,001	6,001	(1)	6,001	-	-
<b>Total</b>					<b>126,898</b>	<b>(69,108)</b>	-	-	<b>57,790</b>	<b>51,789</b>	<b>6,001</b>	<b>6,001</b>	<b>(1)</b>	<b>56,001</b>	-	-
Devolved Formula Capital - Allocated by schools		P Wilson	Ongoing		915,248	(13,047)	56,045	-	958,246	799,167	159,079	159,079	-	1,054,532	-	-



## Shropshire Council - Capital Programme 2016/17 - 2019/20

## Capital Scheme Details Outturn 2016/17

Scheme Description	Code	Project Manager	Total Approved Scheme Budget £	Previous Years Spend £	Revised Budget Q3 16/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 £	Actual Spend 31/03/17 £	Spend to Budget Variance £	Slipped to 2017/18 £	No longer required/ available £		2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
<b>Total Learning &amp; Skills</b>					8,057,967	-	56,045	-	8,114,012	6,371,214	1,742,798	1,742,798			11,731,399	-	-
<b>Total Children's Services</b>					8,114,514	-	56,045	-	8,170,559	6,408,413	1,762,146	1,762,146	(1)		11,750,747	-	-
<b>Total General Fund Capital Programme</b>					47,536,006	-	446,065	-	47,982,071	39,747,552	8,234,519	8,075,904	158,616		69,846,570	25,919,041	2,320,000
<b>Housing Revenue Account</b>																	
<b>Major Repairs Programme - Unallocated</b>																	
Housing Major Repairs Programme	K5P01	A Begley	Ongoing	-	-	-	-	-	-	-	-	-	-	-	2,822,900	-	-
<b>Total</b>					-	-	-	-	-	-	-	-	-	-	2,822,900	-	-
<b>Major Repairs Programme - STAR Housing Contracts</b>																	
STaR Rewires	K5R02	A Begley	1,169,926	731,685	300,000	-	-	-	300,000	261,759	38,241	38,241	(1)		138,241	-	-
STaR Electrical Remedial Works	K5R04	A Begley	927,626	568,412	200,000	9,214	-	-	209,214	209,214	(1)	-	(1)		150,000	-	-
STaR Roofing	K5R05	A Begley	332,524	206,028	90,000	(60,000)	-	-	30,000	13,504	16,496	16,496	-		96,496	-	-
STaR Major Works	K5R06	A Begley	763,398	304,821	100,000	30,000	-	-	130,000	151,423	(21,423)	(21,423)	-		328,577	-	-
STaR Kitchens & Bathrooms	K5R07	A Begley	2,252,745	1,239,192	500,000	(30,000)	-	-	470,000	326,447	143,553	143,553	(1)		543,553	-	-
STaR Fire Safety Works	K5R08	A Begley	329,729	128,095	60,000	-	-	-	60,000	18,366	41,634	41,634	-		141,634	-	-
STaR One Off Doors	K5R09	A Begley	44,771	44,771	10,000	(10,000)	-	-	-	-	-	-	-		-	-	-
STaR External Doors	K5R11	A Begley	329,041	127,770	200,000	-	-	-	200,000	198,729	1,271	1,271	(1)		1,271	-	-
STaR External Wall Insulation	K5R12	A Begley	897,628	847,195	42,500	-	-	-	42,500	34,568	7,933	7,933	(1)		7,933	-	-
STaR Disabled Aids & Adaptations	K5R13	A Begley	987,180	422,423	250,000	-	-	-	250,000	185,243	64,757	64,757	-		314,757	-	-
STaR Heating Insulation Works (Liberty)	K5R14	A Begley	2,659,989	1,852,312	601,000	(100,000)	-	-	501,000	344,323	156,677	156,677	(1)		306,677	-	-
STaR Sewage Treatment Works	KSH01	A Begley	80,150	5,465	5,000	-	-	-	5,000	(4,685)	9,685	9,685	-		69,685	-	-
STaR Asbestos Removal	KSH02	A Begley	458,125	115,112	110,000	-	-	-	110,000	116,987	(6,987)	(6,987)	-		233,013	-	-
STaR Kitchens & Bathrooms Voids	KSH03	A Begley	374,268	154,572	200,000	-	-	-	200,000	180,304	19,696	19,696	-		19,696	-	-
STaR Oswestry Castlefields Regeneration	KSH04	A Begley	214,187	530	150,000	-	35,310	-	185,310	156,963	28,347	28,347	(1)		28,347	-	-
STaR Radon Testing & Implementation	KSH05	A Begley	-	-	-	-	-	-	-	-	-	-	-		-	-	-
STaR Off Grid Properties Investment	KSH06	A Begley	801,505	-	177,500	(50,000)	-	-	127,500	119,495	8,005	8,005	(1)		674,005	-	-
STaR Heating Works - Reactive	KSH07	A Begley	1,131,801	-	450,000	210,786	-	-	660,786	489,771	171,015	171,015	(1)		471,015	-	-
<b>Total</b>					3,446,000	-	35,310	-	3,481,310	2,802,411	678,899	678,900	(1)		3,524,900	-	-
<b>House re-purchases</b>																	
House re-purchases - 15 Albert Mews, Oswestry	K5RP1	A Begley	Ongoing	-	94,150	-	-	-	94,150	94,150	-	-	-	-	-	-	-
Shared Ownership Buy-back - Rhea Hall	K5RP2	A Begley	Ongoing	-	-	-	-	-	-	-	-	-	-	-	60,000	-	-
New Century Court Oswestry	K5RP3	A Begley	Ongoing	-	-	-	-	-	-	-	-	-	-	-	320,000	-	-
<b>Total</b>					94,150	-	-	-	94,150	94,150	-	-	-	-	380,000	-	-
<b>New Build Programme</b>																	
Housing New Build Programme - Phase 1	K5NB1	A Begley	7,233,375	7,022,995	153,345	-	-	-	153,345	96,310	57,035	57,035	-		57,035	-	-
Housing New Build Programme - Phase 2	K5NB2	A Begley	4,143,901	1,397,648	2,365,259	-	-	-	2,365,259	2,037,339	327,920	327,920	-		380,994	-	-
Housing New Build Programme - Phase 3	K5NB3	A Begley	820,242	-	356,031	-	-	-	356,031	208,139	147,892	147,892	-		447,892	16,319	-
Housing New Build Programme - Phase 4	K5NB4	A Begley	3,214,230	-	-	-	-	-	-	-	-	-	-		3,068,330	145,900	-
<b>Total</b>					2,874,635	-	-	-	2,874,635	2,341,787	532,848	532,847	1		3,954,251	162,219	-
<b>Total Housing Revenue Account</b>					6,414,785	-	35,310	-	6,450,095	5,238,348	1,211,747	1,211,747	(1)		10,682,051	162,219	-
<b>Total Capital Programme</b>					53,950,791	-	481,375	-	54,432,166	44,985,900	9,446,266	9,287,651	158,615		80,528,621	26,081,260	2,320,000
															-	-	-

## Shropshire Council - Capital Programme 2016/17 - 2019/20

Financing	B/F Budget Q3 2016/17 £	Budget Virements Q4 £	Budget Inc/Dec Q4 £	Reprofile to/from future years Q4 £	Revised Budget Q4 16/17 £	2017/18 Revised Budget £	2018/19 Revised Budget £	2019/20 Revised Budget £
<b>Self Financed Prudential Borrowing</b>	-	-	-	-	-	300,000	-	-
<b>Government Grants</b>								
Department for Transport	18,710,000	-	-	-	18,710,000	21,691,000	14,901,000	-
Department for Health - Better Care Fund	2,498,219	-	-	-	2,498,219	2,736,187		
Department for Health - HOLD Grant	500,000	-	-	-	500,000	2,415,000		
Department for Education	-	-	-	-	-			
- Condition Capital Grant	3,322,364	-	-	-	3,322,364	3,322,364	-	-
- Basic Need Capital Grant	1,780,980	-	-	-	1,780,980	1,798,306	-	-
- Devolved Formula Capital	874,002	-	(5,570)	-	868,432	994,933	-	-
HCA - Travellers	223,462	-	-	-	223,462	76,858	-	-
HCA - New Build	131,000	-	-	-	131,000	362,500	70,000	-
BDUK - Broadband	-	-	-	-	-	4,328,069	7,011,962	-
Environment Agency	1,704,512	-	90,000	-	1,794,512	1,194,489	427,000	70,000
Local Enterprise Partnership (LEP) Fund	4,569,405	-	-	-	4,569,405	5,292,432	2,700,000	1,566,372
Public Health England	380,000	-	-	-	380,000	1,951	-	-
	<b>34,693,944</b>	-	<b>84,430</b>	-	<b>34,778,374</b>	<b>44,214,089</b>	<b>25,109,962</b>	<b>1,636,372</b>
<b>Other Grants</b>								
Historic England/English Heritage	102,077	-	3,188	-	105,265	42,698	-	-
Natural England	9,703	-	-	-	9,703	9,703	-	-
	<b>111,780</b>	-	<b>3,188</b>	-	<b>114,968</b>	<b>52,401</b>	-	-
<b>Other Contributions</b>								
Section 106	712,300	-	80,793	-	793,093	492,246	-	-
Other Contributions	69,766	-	83,853	-	153,619	47,653	-	-
	<b>782,066</b>	-	<b>164,646</b>	-	<b>946,712</b>	<b>539,899</b>	-	-
<b>Revenue Contributions to Capital</b>	<b>11,600,468</b>	-	<b>229,111</b>	-	<b>11,829,579</b>	<b>8,481,755</b>	<b>75,900</b>	-
<b>Major Repairs Allowance</b>	<b>4,451,489</b>	-	-	-	<b>4,451,489</b>	<b>5,408,793</b>	-	-
<b>Corporate Resources (expectation - Capital Receipts only)</b>	<b>2,311,044</b>	-	-	-	<b>2,311,044</b>	<b>21,531,684</b>	<b>895,398</b>	<b>683,628</b>
<b>Total Confirmed Funding</b>	<b>53,950,791</b>	-	<b>481,375</b>	-	<b>54,432,166</b>	<b>80,528,621</b>	<b>26,081,260</b>	<b>2,320,000</b>

## Shropshire Council - Capital Programme 2016/17 - 2019/20

### Funding changes - Quarter 4

Budget Increase/Decrease	2016/17	2017/18	2018/19	2019/20	Details
<b>Government Grants</b>					
Environment Agency - Flood Defence Grant	90,000	128,000	135,000		Increase in Local Levy grant to Much Wenlock Flood Alleviation Scheme.
Department for Communities & Local Government		2,736,187			Confirmation of funding for 2017/18 for the Integration and Better Care Fund, the service has allocated £1.8m to DFG's and £0.936m to Adult Social Care.
Department for Education- Basic Need Grant		14,293			Increase in Basic Need Allocation for 2016/17.
Department for Education- Devolved Formula Capital	(5,570)	(4,547)			Removal of funding for schools transferred to Academy status and grant has transferred with them.
<b>Total Government Grants</b>	<b>84,430</b>	<b>2,873,933</b>	<b>135,000</b>	-	
<b>Other Grants</b>					
HCA (New Build)		300,000	70,000		New funding from HCA re contribution to New Build Phase 4.
Historic England - Nags Head Engine House	3,188				Grant offer increase from Historic England to cover increase in costs on the Nags Head Engine House project.
<b>Total Other Grants</b>	<b>3,188</b>	<b>300,000</b>	<b>70,000</b>	-	
<b>Other Contributions</b>					
Section 106	80,793				New Section 106 allocations towards Affordable Housing Schemes.
Other Grants Contributions	83,853				Contributions from STaR Housing to Oswestry Playpark, Trinity Ford School Fund towards a DFC project, Pontesbury School towards a DFC project and from Shelton Cricket Club towards Pavilion Refurbishment Project.
<b>Total Other Contributions</b>	<b>164,646</b>	-	-	-	
<b>Revenue Contributions to Capital</b>	229,111	2,108,433	75,900		School revenue contributions to DFC schemes (£0.011m), Highways contribution to Parking Machine Replacement Programme (£0.125m), Libraries Contribution to Much Wenlock Library refurbishment (£0.025m), Outdoor Partnerships contribution to Severn Valley Country Park Visitor Centre and overspends on other schemes (£0.068m) and HRA contribution to New Build Phase 4 (£3.314m) and property acquisitions (£0.380m). Offset by £1.509m reduction in revenue contribution to Digital Transformation to finance revenue costs occurred in 2016/17.
<b>Major Repairs Allowance</b>		106,310			Increase in allocation of Major Repairs allowance to HRA schemes.
<b>Capital Receipts</b>		(206,083)			Reduction in allocation of ringfenced HRA capital receipts to HRA schemes.
	<b>481,375</b>	<b>5,182,593</b>	<b>280,900</b>	-	
	-	-	-	-	

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<u>Committee and Date</u>	<u>Item</u>
Council 20 July 2017	
Audit Committee	
29 June 2017	<u>Public</u>
9:30 am	

## ANNUAL ASSURANCE REPORT OF AUDIT COMMITTEE TO COUNCIL 2016/17

**Responsible Officer** James Walton

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Tel: 01743 258915

### 1. Summary

Attached to this report is the draft Audit Committee's Annual Assurance Report to Council for 2016/17. This provides Council with an independent assurance that the Council has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains consistently.

### 2. Recommendations

Council is asked to consider and comment on the contents of the Annual Assurance report for 2016/17 before recommending accepting this report.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 The Audit Committee's Annual Assurance Report is part of the overall internal control arrangements and risk management process. The Committee objectively examines and evaluates objectively the adequacy of the control environment through the reports it receives and in turn can provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement.

- 3.2 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 requirements or consequences of this proposal.

#### 4. Financial Implications

There are no direct financial implications from this report.

#### 5. Background

- 5.1 A key part of the Audit Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements. In addition, the Audit committee should report to Council where they have added value, improved or promoted the control environment and performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.
- 5.2 The Audit Committee has a well-established role within the Council and it is important that an Annual Assurance report based on the work of the Committee is produced and recommended to Council. In compiling this assurance report, information provided at the Audit Committee meeting on 29 June 2017 has also been taken into account.
- 5.3 In addition, this report has been reviewed to ensure its continuing compliance with CIPFA<sup>1</sup>'s Audit Committees, Practical Guidance for Local Authorities and Police, 2013 edition. Section 6.34 requires the Audit Committee to be held to account on a regular basis by the Council specifically in relation to:

Whether the;

- committee has fulfilled its agreed terms of reference;
  - committee has adopted recommended practice;
  - development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities;
  - committee has assessed its own effectiveness, or been the subject of a review, and the conclusions and actions from that review and,
  - the committee has had an impact on the improvement of governance, risk and control within the Council.
- 5.4 The annual assurance report to Council for 2016/17, attached to this report, is an aid to addressing the key areas where the Committee should be held to account. **(Appendix A).**

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<sup>1</sup> The Chartered Institute of Public Finance and Accountancy

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

CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2013 edition

Audit Committee reports 2016/17

**Cabinet Member (Portfolio Holder)**

Peter Nutting, Leader of the Council and Peter M Adams, Chairman of Audit Committee

**Local Member**

N/A

**Appendices**

Appendix A - Draft Audit Committee Annual Assurance Report 2016/17

## APPENDIX A

### AUDIT COMMITTEE ANNUAL ASSURANCE REPORT FINANCIAL YEAR 2016/17

#### STATEMENT FROM THE CHAIRMAN OF THE AUDIT COMMITTEE

1. Governance in and of the public sector continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. In Shropshire we have a Code of Corporate Governance which is reviewed annually in line with the best practice issued by CIPFA and SOLACE<sup>2</sup>; we have also produced an Annual Governance Statement, again in line with best practice and legislative requirements. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives, and providing good service to our community.
2. Shropshire Council has an Audit Committee that is long established in seeking to maintain and improve our governance procedures. The Committee is a key component of the Council's corporate governance arrangements and a major source of assurance of the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance.
3. The benefits to the Council of operating an effective Audit Committee are:
  - Maintaining public confidence in the objectivity and fairness of financial and other reporting.
  - Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing the Annual Statement of Accounts and the Annual Governance Statement.
  - Providing a sharp focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process.
  - Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.
  - Providing additional assurance through a process of independent and objective review.
  - Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
  - Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.

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<sup>2</sup> Society of Local Authority Chief Executives



4. The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend all meetings of the Committee to offer their advice where needed.
5. The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Chief Finance Officer (Section 151 Officer) in achieving our aims and objectives. We have put together a work and development plan for the year to enable key tasks to be considered and completed.
6. As incoming Chair of the Audit Committee, I see training as a key priority for members in order to undertake our roles effectively. The Committee continues to undertake a full and extensive programme of training and this year has been no exception. Training has been received in relation to:
  - Public sector procurement of external audit
  - ICT operational risk management
  - Accounts overview
  - The assurance framework – Internal Audit's role
  - The assurance framework – Risk Management's role
  - Assurance framework for the Corporate Plan
  - Audit Committee's self-assessmentMembers also have access to CIPFA's Better Governance Forum network which provides specific information in the form of regular briefings, training events, and an informative web site.
7. This year the Committee has held four planned meetings including the meeting held on 29 June 2017. We have received and considered a substantial number of reports across key areas of the Council's activity (see **Annex A**).

### **Audit Committee Membership and Dates of Meetings**

8. Membership of the Audit Committee for 2016/17 was made up of the following Councillors: Tim Barker (Chairman); John Cadwallader (Vice Chairman); Pamela Moseley; Chris Mellings, and David Turner.
9. Substitutes were invited to attend and contribute at all meetings and training.
10. Meetings of the Committee have been held on:
  - 15 September 2016
  - 24 November 2016
  - 22 February 2017
  - 29 June 2017

### **Details of Reports/Information Received**

11. **Annex A** provides a summary of the key reports and information received by the Audit Committee at its meetings. These appear categorised in the areas

which, under the Terms of Reference, Audit Committee have a responsibility to consider and report upon. They are:

- Governance;
- Risk management framework;
- Controls, including specific focus on:
  - Contracts and partnerships
  - Fraud, corruption and whistleblowing
  - Value for money
- Financial reporting and treasury management.

A detailed audit work plan has been agreed for the current year.

12. Following receipt of the reports Audit Committee resolved that:

- There were effective arrangements in place for corporate governance and, where improvements are required, there is a clear improvement plan with dedicated lead officers that will be monitored by Members.
- The risk management and assurance framework was fit for purpose and operating as intended.
- There had been ongoing reductions in the level of assurances for the internal control environment, whilst not unexpected in the current situation, this needed to be monitored continually by management and members alike. In particular, ongoing concern was expressed relating to the controls in place on the IT infrastructure and application systems, on which the Committee would be looking for further assurances. This will be an area of focus in the coming year and is a key component of the changes in the risk management and assurance framework referred to above.
- Following management reports that there is evidence of effective management and monitoring of contracts and partnerships. The Audit Committee have been advised by managers that performance around the management of contracts and commissioning processes will be strengthened further as the Council's commissioning approach is adopted more widely. Given the wider approach the Council is taking to commissioning and contracting of services, managers will increasingly be expected to provide assurances on this area.
- There were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).
- The Audit Committee resolved that there were effective arrangements in place to support Value for Money.
- Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

13. Given the Head of Audit's qualified opinion on the Council's internal control environment, the Audit Committee confirms that it had been made aware of the increase, in terms of numbers and negative direction of travel, of the internal audit assurances provided on the control systems overall, which has made it difficult to classify the internal control environment as either strong or weak.

Three<sup>3</sup> of the high level assurances relate to key financial systems through which a significant amount of the Council's financial business is transacted. Two<sup>4</sup> financial system applications also attract higher level assurances. Whilst the Payroll audit was not completed in 2016/17, data tested as part of the audit applied to that year and a Reasonable assurance level was given. Payroll is the largest financial system in the Council. These results combine to provide a high level of confidence in the robustness of the data reflected in the accounts.

Eleven of the lower assurance levels concern IT systems/processes. IT Services continue to invest in and implement required control improvements. Whilst there has been some improvement in the IT control environment which led to the qualified opinions in 2013/14, 2014/15 and 2015/16, business continuity, disaster recovery and physical and environmental controls have improved from unsatisfactory to limited. Hardware replacement remains at an unsatisfactory level in its fourth year of reporting. Improvements are still being embedded and yet to be reflected fully in the control environment. This further supports qualification of the current opinion. The lower levels of assurance in social care and schools, whilst not significant enough to sway the opinion, should be used by managers to target areas for improvement.

14. Given the overall impact of assurances as described above, the Audit Committee accepts that there is no option other than for the Head of Audit's year-end opinion to be qualified. There is a concern that this is the fifth year where the opinion has been qualified and neither management nor members should accept this as the norm, instead they should continue to be robust and challenging in their improvement agenda. The Audit Committee is satisfied that there has been no evidence of significant IT business failure or material errors that could result in a material misstatement in the Council's accounts and reliance can be placed upon them for that purpose.

#### **Additional Responsibilities**

15. Members of the Audit Committee and the Head of Audit and her staff are well aware of the changing nature of local government in relation to the greater responsibilities for innovative practice allowed by the Government's Powers of Competence Act. In particular we are aware that the Audit function has an essential and on-going role to play in monitoring the risks involved in the arrangements for strategic commissioning. Members continue to receive training in this extended aspect of their responsibilities, and the Head of Audit is ensuring that adequate resources are available in order to minimise any possibility of the risk of financial malpractice.

#### **Audit Service Staff**

16. The key staff are James Walton, the Section 151 Officer, Ceri Pilawski, the Head of Audit and her deputies, Principal Auditors: Katie Williams, Peter Chadderton and Barry Hanson.

<sup>3</sup> Purchase, housing benefits, income (not all fundamental systems are reviewed every year)

<sup>4</sup> Samis, Northgate

17. Without the support of all Audit staff and, in particular, of the officers mentioned above, it would not be possible for the Audit Committee to be as highly effective as peer comparisons show us to be. My thanks and that of my fellow committee members are given to all our Audit Service officers.

### **Annual Statement of Assurance**

18. On the basis of:
- The work carried out by the Internal and External Auditors and their reports presented to this Committee;
  - Reports from service managers and;
  - The work carried out by the Section 151 Officer, Head of Audit and their reports presented to this Committee.

It is the Audit Committee's opinion, founded on those reports, explanations and assurances received, that the Council continues to be aware that it is liable to increased risks in the IT systems currently operating. Whilst there is no evidence of significant IT business failure or material errors reported that could result in a material misstatement in the Council's accounts; a number of control improvements have been agreed by management and require urgent dedicated implementation in order to improve internal control systems.

### **RECOMMENDATION – Council is asked to accept this report**

Signed ..... Date.....  
On behalf of the Audit Committee  
Peter M Adams

## **Summary of assurance reports received by Audit Committee**

### **Governance**

#### **➤ Code of Governance**

Report of the Section 151 Officer which sought approval to the Code which had been refreshed following publication of a new governance framework for local authorities, police and fire authorities in April 2016 for application for the 2016/17 year.

#### **➤ Management report; AGS Action plan update**

Report of the Chief Executive Officer which provided Members with an interim progress update against each of the activities identified in the Annual Governance Statement Action Plan

#### **➤ Changes to the arrangements for appointment of External Auditors**

Report of the Section 151 Officer which sought and secured a formal decision from Council to 'opt-in' to the Public Sector Audit Appointments Ltd (PSAA) national auditor appointment arrangements.

#### **➤ Annual Governance Statement and a review of the effectiveness of the Council's system of internal control 2016/17**

Report of the Section 151 Officer on the effectiveness of the system of internal controls and the production of the Annual Governance Statement.

#### **➤ Internal Audit - Quality Assurance and Improvement Programme (QAIP)**

Report of the Head of Audit which provided Members with an update on the External Assessment review planned for 21 November 2016 by CIPFA during which Members of Audit Committee may be interviewed.

#### **➤ Internal Audit Quality Assurance Improvement Programme**

Report of the Head of Audit which provided Members with an update following the external assessment conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) in November 2016. The review confirmed that Shropshire Council complied with the requirements of the Public Sector Internal Audit Standards.

#### **➤ Annual review of Internal Audit Quality Assurance Improvement Programme (2016/17)**

Report of the Section 151 Officer on the effectiveness of the system of Internal Audit in 2016/17.

#### **➤ Annual review of Audit Committee terms of reference**

Report of the S151 Officer which set out minor changes being proposed to the Audit Committee Terms of Reference.

#### **➤ Audit Committee self-assessment**

Report of the Section 151 Officer which requested members to review and comment on the self-assessment of good practice questionnaire to assess the effectiveness of the Audit Committee and identify any further improvements.

➤ **Internal Audit Charter**

Report of the Head of Audit which set out the changes being proposed to the Internal Audit Charter following a refresh of the Public Sector Internal Audit Standards (PSIAS) in March 2016.

➤ **Draft Audit Committee's annual work plan and future training requirements**

Report of the Head of Audit which provided a proposed Audit Committee work plan and sought discussion and agreement around a learning and development plan for Members to ensure that they were well informed and appropriately skilled to fulfil their role.

➤ **Changes to Approvals Process for Statement of Accounts**

Report of the Section 151 Officer which outlined the necessary amendments required to the timescales and process for the production and approval of the Statement of Accounts in 2017/18 to take account of the faster closedown agenda introduced in the Accounts and Audit Regulations 2015. It was confirmed that the Audit Committee would still receive the draft Statement of Accounts at its June meeting however, it would not receive the audited Statement of Accounts prior to it being presented to Full Council in July. It was therefore being proposed that the Audit Committee would instead receive the external audit findings report at its September meeting to ensure it was still fulfilling its core objectives.

➤ **Annual Assurance report of Audit Committee to Council 2016/17**

Report of the Section 151 Officer in respect of the Audit Committee's Annual Assurance report to Council.

➤ **Review of Shropshire Council's Code of Corporate Governance 2016/17**

Report of the Principal Auditor providing an update on the review of the Council's compliance with the Code of Corporate Governance.

The Audit Committee resolved that there were effective arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

## **Risk Management Framework**

➤ **Management report: Risk and Insurance Annual Report 2015/16**

Report from the Risk and Insurance Manager which set out the challenges and achievements accomplished by the Risk Management Team during 2015/16. The Risk and Insurance Manager informed Members that following an audit of both risk management and insurance, an assurance level of "good" had been identified with no recommendations being made. She explained that strategic risks were updated monthly and monitored closely through meetings with key officers, Directors, the Chief Executive and Portfolio Holder. The outcome of each review was then reported to Directors and Informal Cabinet.

➤ **Management report: Strategic risks update**

Report of the Risk and Insurance Manager set out the current strategic risk exposure and advised of recent modifications and planned changes to the management of strategic risk within the authority.

➤ **Management report: Strategic risks update**

Report of the Risk and Insurance Manager which set out the current strategic risk exposure of the Council and detailed recent movements within the register following the most recent review. The Risk and Insurance Manager informed the Committee that there were currently 14 strategic risks which was two less than previously reported in September 2016. The reduction had arisen from the removal of one risk (in relation to a union challenge) and the amalgamation of two others. Of these 14, half were high risk and the other half were medium risk. There were three changes to risk ownership since the last report, with specific Directors taking ownership from the Chief Executive who would now have a full overview of all risks. A brief discussion ensued in relation to cyber security as a strategic risk. The Risk and Insurance Manager reported that the Council undertook quite a bit of work in this area and a business continuity exercise had been undertaken. She explained that there was a strategic risk around IT so it was on the radar and was being monitored. If it was felt that a specific strategic risk was required for cyber-attacks, this would have to be approved by Directors. Members were reassured that the Council had sufficient software in place to protect against significant breaches of the software.

➤ **Internal Audit report of the review of Risk Management audit 2016/17**

Report of the Principal Auditor which summarised the detailed findings identified in the Internal Audit review of risk management of which the overall control environment had been assessed as Good.

➤ **Draft Internal Audit risk based plan 2017/18**

Report of the Head of Audit on the proposed risk based Internal Audit Plan for 2017/18. She confirmed that 1,547 days had been planned for Shropshire Council audit work and 223 days for external clients. She reported that for the second year all fundamental system audit reviews, except for the Payroll System, would be done on a cyclical basis after considering the risk profile for each area. The Head of Audit explained that a separate risk based analysis of the IT audit areas had been undertaken. Turning to Schools, she explained that it was hoped to review primary schools at least every five years either by a direct audit or a self-assessment process whilst secondary schools would be audited every four years. Schools would be prioritised based on any previous issues or an unsatisfactory assurance rating etc.

➤ **External Audit: Informing the risk assessment**

Report of the External Auditor which contributed towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report gave Audit Committee assurance that the Council had appropriate arrangements in place. In response to a query it was confirmed that external audit were satisfied that the going concern assumption in the financial statements was correct. It was explained that ip&e was not audited on a going concern basis.

The Audit Committee resolved that the risk management and assurance framework was fit for purpose and operating as intended but expressed concerns over the reduced level of Internal Audit resources when compared to the risk profile demands of the Council.

## Controls

### ➤ **Management report on IT**

Exempt report of the Head of Human Resources and Development which provided an update on a number of areas within ICT which had been prioritised for improvement.

### ➤ **Management report on programme controls and risks**

Report of the Director of Place and Enterprise providing an update on the existing and emerging assurance and management controls and risk management arrangements within the Council. It included work undertaken to develop strong governance around commissioning, and also provided an update on the Commissioning Support Unit. The report gave assurance on the robustness of governance arrangements for all commissioning activity arising from the Council's 2014-2017 business plan and financial strategy. The Director of Place and Enterprise explained that higher value contracts went through quite a vigorous process and that the relevant Scrutiny Committee also looked at some of the larger Contracts which demonstrated that full governance arrangements were in place. Turning to the Procurement and Contract Management update, the Director of Place and Enterprise explained that this section built on previous reports and referred to the new Contract Reference System and Delta, the Council's e-tendering system.

### ➤ **Management report on housing benefit overpayment performance**

Report of the Revenues and Benefits Service Manager which provided members with performance monitoring information on the collection of housing benefit overpayments for the year 2015/16.

### ➤ **Management report on sales ledger; update on progress implementing improved management controls**

Report of the Head of Financial Management and Reporting provided an update on progress with implementing improved management controls within Sales Ledger in order to address the "limited" assurance opinion given in the internal Audit review carried out in June 2016. The Head of Financial Management and Reporting drew attention to the positive direction of travel and reported that a number of actions had been undertaken to address the significant recommendations highlighted by the review and confirmed that a more targeted approach to debt recovery had been created.

### ➤ **Internal Audit performance report and revised annual audit plan 2016/17**

Report of the Head of Audit which provided Members with an update of the work undertaken by Internal Audit in the two and a half months since the last report in September 2016 summarising progress against the Internal Audit Plan. She informed the meeting that 53% of the revised plan had been completed which was in line with the target to achieve 90% by year end. She went on to say that twenty four final reports had been



issued which contained 274 recommendations, one of which was fundamental. The fundamental recommendation was around the lack of a Hardware Replacement Strategy. The Head of Audit drew attention to the Direction of Travel which showed that the unsatisfactory assurance levels had increased from 9% in 2015/16 to 21% in 2016/17 year to date. The unsatisfactory assurance opinions were listed by service area in the report.

➤ **Management Report: Council tax and non-domestic rates performance monitoring report**

Report from the Revenues and Benefits Manager which set out the performance monitoring information on the collection of income through Council Tax and National Non Domestic Rates (NNDR) for the year up to 31 March 2016 and progress on the year to 31 March 2017. He reported that the final collection rate for council tax for 2015/16 was 98.4% which compared favourably to the previous year's collection rate of 98.3% and for NNDR the final in-year collection rate for 2015/16 was 99.1% which again compared favourably with the previous year's collection rate of 98.7%.

➤ **Internal Audit performance report and revised annual audit plan 2016/17**

Report of the Head of Audit provided members with an update of the work undertaken by Internal Audit since the last report and summarised progress against the 2016/17 Internal Audit Plan. Twenty nine percent of the revised plan had been completed which, although lower than in previous years, was in line with the profile of available resources and it was hoped to achieve 90% completion by year end. The Head of Audit drew attention to performance to date and the direction of travel. She explained that compared to previous years Internal Audit resources were much reduced and had been focussing on the high risk areas which may impact on the year-end opinion.

➤ **Internal Audit Performance Report and Revised Annual Audit Plan 2016/17**

Report of the Head of Audit which provided Members with an update of work undertaken by Internal Audit in the three months since the last report in November 2016 summarising progress against the Internal Audit Plan. She informed the meeting that 81% of the revised plan had been completed and the team were on track to deliver the target of 90% by year end. She went on to say that 29 final reports had been issued which contained 368 recommendations, three of which were fundamental. It was reported that none of the recommendations had been rejected by management. The Head of Audit informed the Committee that two posts were being recruited to within Internal Audit so it was hoped that there would soon be a full complement of resources. Turning to the direction of travel, the Head of Audit explained that the level of assurances were comparable with those for 2015/16, however, the level of unsatisfactory assurances were considerable higher. The Section 151 Officer explained that a number of changes within the authority including the reduction in its workforce, the transformation programme, cyber-crimes, etc. had all had an impact on the underlying assurances. With a Risk Based approach, where there was less resources only the higher risk areas could be focussed on.

➤ **Management Report: Digital transformation update**

Report of the Head of Human Resources and Development providing an update to members on governance of the ICT Digital Transformation Programme.

➤ **Council tax and non-domestic rates performance monitoring report**

Report of the Revenues and Benefits Manager setting out performance monitoring information on the collection of Council Tax and National Non Domestic Rates (NNDR).

➤ **Internal Audit annual report 2016/17**

Report of the Head of Audit on achievements against the revised internal audit plan for 2016/17 and the annual internal audit assurance. The Head of Audit qualified her overall opinion on the Council's internal control environment based on continuing numbers of the internal audit assurances provided on the IT infrastructure and a number of application systems.

The Audit Committee resolved that there had been ongoing reductions in the level of assurances for the internal control environment, whilst not unexpected in the current situation this needed to be continually monitored by management and members alike. In particular, ongoing concern was expressed relating to the controls in place on the IT infrastructure and application systems on which the Committee would be looking for further assurances.

**Controls: Contracts and Partnerships**

➤ **Management report on Assurance of Social Care Services (Adults and Children's) Commissioning**

Report of the Chief Executive Officer which set out the range of processes and activities which were applied through Social Services Commissioning (Adults and Children's) to ensure that the services which had been procured were delivering the volume, cost and quality set out in their contracts. It also gave assurance on the robustness of the commissioning of Adult and Children Social Care Services, and highlighted the potential to continuously improve how commissioning and contract management was carried out by the Council.

The Audit Committee resolved, following management reports, that there is evidence of effective management and monitoring of contracts and partnerships. The Audit Committee have been advised by managers that performance around the management of contracts and commissioning processes will be strengthened further as the Council's commissioning approach is adopted more widely. Given the wider approach the Council is taking to commissioning and contracting of services, managers will increasingly be expected to provide assurances on this area.

**Controls: Fraud, Corruption and Whistleblowing**

➤ **Fraud, special investigation and Regulation of Investigatory Powers Act (RIPA) update (Exempted by categories 2, 3 and 7)**

Members are provided with exempt reports of the Principal Auditor providing an update on the current fraud and special investigations undertaken by Internal Audit and current RIPA activity.

➤ **Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy**

Report of the Head of Audit provided members with an update following the latest review of the Counter Fraud, Bribery and Anti-Corruption Strategy in line with best practice. The Strategy continued to underpin the Council's commitment to prevent all forms of fraud, bribery and corruption whether it be attempted on or from within the Council, thus demonstrating the strategy's continuing and important role in the corporate governance and internal control framework. It also set out an Action Plan for adoption to ensure continuous improvement.

➤ **Annual review of Counter Fraud, Bribery and Anti-Corruption activities, including an update on the National Fraud Initiative**

Report of the Head of Audit which outlined the measures undertaken in the last year to evaluate the potential for the occurrence of fraud and how the Council managed those risks with the aim of prevention, detection and subsequent reporting of fraud and corruption. She informed the Committee that the Council had taken part in the CIPFA Fraud and Corruption Tracker (CFaCT) annual survey examining the levels of fraud detected in local authorities across the UK, the results of which were outlined in the report. In addition, the results from the National Fraud Initiative data matching exercise for 2016/17 were due to be published at the end of January 2017 and the outcomes of any resulting investigations would be reported to a future meeting.

➤ **Annual Whistleblowing report**

Report of the Head of Human Resources on the number of cases raised through the whistleblowing process over the last year and the actions resulting.

The Audit Committee resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).

**Controls: Value for Money**

➤ **External Audit: Shropshire Council audit findings 2015/16**

Report of the Engagement Lead (Grant Thornton) on key matters arising from the audit of Shropshire Council's financial statements for the year ending 31 March 2016. The Engagement Lead advised that the vast majority of the financial statements had been completed and he anticipated that an unqualified opinion would be given. He reported that there had been one material change to how the CIES<sup>5</sup> was disclosed but this had no overall impact on the total income or expenditure. He highlighted the control issues identified in the areas of ICT resilience and Sales Ledger and confirmed that an unqualified Value for Money conclusion would be given.

➤ **External Audit: Audit plan**

Report of the Engagement Lead (Grant Thornton) setting out the plan for the year ending 31 March 2017 for Shropshire Council in relation to the Council's financial statements and to satisfy themselves that the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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<sup>5</sup> Comprehensive income and expenditure statement

➤ **External Audit: Pension fund audit plan 2016/17**

Report of the Engagement Lead (Grant Thornton) setting out the Pension fund plan for the year ending 31 March 2017.

➤ **External Audit: Audit fee letter 2016/17**

Report of the Engagement Lead (Grant Thornton) setting out the audit fee for the year ending 31 March 2017.

The Audit Committee resolved that there were effective arrangements in place to support Value for Money.

## Financial reporting

➤ **Audited Annual Statement of Accounts 2015/16**

Report of the Section 151 Officer which set out the final audited outturn position for the financial year 2015/16 which would be confirmed by Council on the 30th September 2016. The Head of Finance, Governance and Assurance informed members that there had been no material objection to the main accounting statement since the version considered by the Committee in June.

➤ **External Audit: Shropshire County Pension Fund audit findings report 2015/16**

Report of the Engagement Lead (Grant Thornton) summarised the findings for the year ended 31 March 2016 on the audit of the Pension Fund financial statements. He informed the meeting that this report would be considered by the Pensions Committee and had been brought to the Audit Committee as an information item.

➤ **External Audit: Audit Committee update**

Report of the Engagement Lead (Grant Thornton) which highlighted the progress made on work undertaken during the year and summarised the emerging national issues and developments of relevance to the Council. It also included several challenge questions in respect of the emerging issues which the Audit Committee may wish to consider in its future work or training programmes.

➤ **External Audit: Annual audit letter 2015/16 Shropshire Council**

Report of the External Auditor which summarised the key findings arising from the work carried out for the year ended 31 March 2016. The Engagement Lead introduced the report and drew attention to the Value for Money findings for 2015/16. He explained that the biggest risk for Shropshire Council's financial position was Adult Social Care costs which would be taken into account going forward. He reported that the change required to how the Highways Network Asset was accounted for had been deferred to 2017/18. The final fees were set out in the report and the Engagement Officer highlighted that there would be a fee for work on the elector's objection which was still unresolved.

➤ **External Audit: Certification summary report**

Report of the Engagement Lead (Grant Thornton) detailing the Certification Work for 2015/16 relating to grants, subsidy and the return of financial information. It was explained

that there was a requirement for the Housing Benefit subsidy to be certified by external audit because the funding came from the Department of Work and Pensions. The certification had been qualified due to a £4,800 amendment to the Housing Benefit subsidy claim. Individual errors had been identified in other areas however these could not be amended due to the nature of the claim

➤ **Revenue outturn report 2016/17**

Report from the Section 151 Officer providing details of the revenue outturn position for the Council.

➤ **Capital outturn report 2016/17**

Report from the Section 151 Officer informing members of the full year capital expenditure and financing of the Council's capital programme.

➤ **Annual Statement of Accounts 2016/17 including a review of accounting policies**

Report of the Section 151 Officer on the draft Annual Statement of Accounts and the accounting policies

### **Treasury Management**

➤ **Annual treasury report 2015/16 (9/16)**

Report of the Section 151 Officer providing information on treasury activities for Shropshire Council for 2015/16. He reported that the Council had a reasonable level of return against risk with a higher level of returns than similar authorities for the same level of risk. He confirmed that the internal treasury team had outperformed their investment benchmark by 0.27% in 2015/16 and explained that the Council was currently cash rich and as such would not be looking to borrow any money.

➤ **Treasury Strategy 2016/17 mid-year report**

Report of the Section 151 Officer on a mid-term review of Treasury activities of the Council for the first six months of the year. He highlighted that the internal treasury team had outperformed its benchmark by 0.32% and that all treasury management activities had been in accordance with the approved limits and prudential indicators set out in the Council's Treasury Strategy. The Council currently had £175m held in investments and borrowing of £326m at fixed interest rates

➤ **Treasury Strategy 2016/17**

Report of the Section 151 Officer which proposed the Treasury Strategy for 2017/18 and the recommended Prudential Indicators for 2017/18 to 2019/20.

The Audit Committee resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

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## Committee and Date

Council

20 July 2017

## **REPORT FROM THE POLITICAL STRUCTURES MONITORING GROUP - OVERVIEW AND SCRUTINY RESTRUCTURE 2017**

### **1. Summary**

- 1.1 At its meeting on 27 June 2017 the Political Structures Monitoring Group considered a revised structure for Overview and Scrutiny at Shropshire Council.
- 1.2 The Group considered the vision and purpose of Overview and Scrutiny and the Leader's proposal for the way forward.

### **2. Recommendations**

- 2.1 That the attached report and the recommendations therein, be approved.

## **REPORT**

### **3. Overview and Scrutiny Restructure 2017**

- 3.1 The attached report presents a revised structure for Overview and Scrutiny at Shropshire Council proposed by the Leader of the Council and considered and supported by the Political Structures Monitoring Group. It includes a renewed vision for Overview and Scrutiny and the refreshed Task and Finish Group Protocol.

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

**Cabinet Member (Portfolio Holder)**

Councillor Peter Nutting

**Local Member**

All Members

**Appendices**

Overview and Scrutiny Restructure Report and its appendices 1 - 5



## Overview and Scrutiny Restructure 2017

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### 1.0 Summary

This report presents a revised structure for Overview and Scrutiny at Shropshire Council proposed by the Leader of the Council and considered by PSMG. It also includes a vision for Overview and Scrutiny and the refreshed Task and Finish Group Protocol. This follows a Peer Review by the Local Government Association (LGA) and the Centre of Public Scrutiny (CfPS) in February 2017.

### 2.0 Recommendations

That Council agrees:

- A. the vision of Overview and Scrutiny at Shropshire Council.
- B. the proposed structure for Overview and Scrutiny.
- C. the refreshed Task and Finish Protocol
- D. the review of the Overview and Scrutiny after 12 months of operation to ensure the expected impact and added value is being achieved.

## Report

### 3.0 Context

- 3.1 The revised structure of Overview and Scrutiny seeks to provide renewed energy and focus. The objective is to provide all members with the opportunity to be involved in shaping and influencing how the Council responds to challenges and opportunities, responding appropriately and effectively to the changes and development the Council is making to develop the economy, sustain services and protect vulnerable people.

- 3.2 The start of the new Council and the Corporate Plan and the Strategic Action Plans provide the opportunity for Scrutiny to redesign itself to meet the new challenges. A Peer Review of Overview and Scrutiny was carried out by the LGA and CfPS in February 2017. The report of the Peer Review Team is included in the appendices.

#### **4.0 Scrutiny Committees and Overview Committees**

- 4.1 The Peer review identified that Overview and Scrutiny and the New Council will benefit from a shared vision:

“Through engagement with the public, service providers and other stakeholder, Overview and Scrutiny drives positive improvements to Council and other public services, securing better outcomes for Shropshire residents and communities.”

- 4.2 The proposal sets out 5 Committees. The proposed structure and remits of the Committees are included in the appendices.
- 4.3 There will be a Scrutiny Committee (Performance Management Scrutiny Committee), the Health Overview and Scrutiny Committee, and three Overview Committees.
- 4.4 The distinction being that the Overview Committees will be focused on pre-decision scrutiny and developing evidence based recommendations which will inform the development of plans and decisions such as those related to the delivery of the Council’s Strategic Action Plans. The Scrutiny Committee will have a greater focus on the impact of the decisions and whether they are being achieved receiving performance and financial reports, as well as maintaining a view of corporate issues including IT.
- 4.5 The opportunity to review the Overview and Scrutiny arrangements after 12 months of operation will enable the impact and added value to be evaluated, and the identification of changes and developments.

#### **5.0 Strategic Scrutiny Work Programme**

- 5.1 The Strategic Scrutiny Work Programme provides the framework from which all planned Scrutiny activity is drawn, and in all cases all topics will be considered for inclusion by the Scrutiny Committee. It is proposed that Performance Management Scrutiny Committee would manage the Strategic Scrutiny Work Programme and commission work from the appropriate Overview Committee. In some instances it might be appropriate for joint working across Committees, as is currently the case.
- 5.2 The Strategic Work Programme will take account of the Corporate Plan and Strategic Action Plans to ensure that Overview and Scrutiny activity is tied into the key changes and developments that the Council is progressing. This will enable the identification of opportunities to undertake pre-decision scrutiny, engage with the public and communities, and identify learning and evidence the impact achieved.

5.3 Topics are expected to be drawn from a range of sources. They will be reported to and considered by the Overview and Scrutiny Committee who will confirm whether they will be added to the Strategic Scrutiny Work Programme, and will also decide on how and when the topic will be considered, e.g. a report to the committee or to be scope for Task and Finish Group work. As well as the Corporate Plan and Strategic Action Plans, sources include:

- Topics identified and proposed by Members of the Council
- Topics identified by Directors and/or Portfolio Holders
- Topics suggested by partners and stakeholders as specified by the Regulations e.g. by HealthWatch for topics related to Health or Adult Social Care.
- Topics arising from the Scrutiny Committee's consideration of performance reports, financial reports and customer feedback e.g. complaints comments and compliments, and survey results.
- Topics associated with any commissioning intentions that the Council confirms and publishes
- Call-ins as per the Constitution

## **6.0 Task and Finish Group Protocol**

- 6.1 Task and Finish groups are valued by officers and Members for the opportunity they provide to explore issues in detail and add value. This was also recognised in the Peer Review of Overview and Scrutiny.
- 6.2 The Task and Finish group Protocol and the Protocol on the appointment of Members of Task and Finish groups have been refreshed to bring the protocols up to date and continue provide clear guidance. The refreshed protocols are included in the appendices.

## **7.0 Officer Support to Scrutiny Work**

- 7.1 Dedicated officer support for Overview and Scrutiny has been identified as a requirement to enable the five Committees to realise the impact and add value to the Council and achieve positive outcomes for local people and communities.
- 7.2 The officer support would be 2 FTE posts fixed term for 2 years. The post holders would work with the Scrutiny Members supporting and enabling the research into topics, working with senior officers and the lead directors, contacting witnesses, and working with the Committee Officers to make the arrangements for Committee meetings and Overview and Scrutiny work.

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

**Cabinet Member (Portfolio Holder)**

Cllr Peter Nutting

**Local Member**

All

**Appendices**

- LGA Peer Review Report
- Proposed Structure for Overview and Scrutiny
- Refreshed Protocol: Task and Finish Groups
- Refreshed Protocol on the appointment of Members to Scrutiny Task and Finish Groups

## Appendix 2

# Scrutiny Peer Challenge Shropshire Council

## 1. Executive Summary

Across the council, members and officers are keen to ensure that overview and scrutiny delivers positive outcomes for the people of Shropshire. There is a broad consensus that the function, as it stands, is not fit for purpose – a conclusion with which the peer team agree, and whilst there is a clear commitment to making it work, the best way to progress this has, to date, been unclear.

Members and officers are dealing with cultural issues relating to history and geography which make it more difficult for them to work together to ensure that scrutiny supports and challenges the council as a single corporate entity for which members feel they have ownership.

A lack of a consistent vision for scrutiny from members has resulting in their not being able to provide clear directions to officers about the work they expect scrutiny to carry out. In the advance of this direction, well-meaning officers have stepped in to fill the gap, but this has resulted in a blurring of roles. At the moment, this has not caused any substantial governance problems, but the inherent conflicts of interest involved could cause potential difficulties further down the line.

The team heard enthusiasm and support to move away from that cultural approach. A reset is required – of behaviours, attitudes and, in support of those cultural changes, structures as well. As a first step the development and agreement of a shared understanding of scrutiny's role and vision will build a strong foundation for this work.

Backed up by improvements to systems and processes, that vision will ensure that the work is anchored more firmly in the Council's structures. A renewed approach to work programming and the ways that members access and use information are both necessary. The different ways of working open to scrutiny – for example, opportunities to embed public involvement in scrutiny's work – will need to be reviewed and put in place as part of this work.

There are examples of positive and productive working in scrutiny. Task and finish work was valued by both members and officers. We heard mixed views about the outcomes from these, and so the Council will want to revisit to ensure that the good practice and positive impacts are spread more widely across the.piste, thusensuring a sharper focus on areas which can have the most impact to further strengthen the scrutiny function.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. **Develop a shared vision of what overview and scrutiny means for Shropshire.** A conversation between members, and between members and officers, needs to lead to a shared understanding of the role of overview and scrutiny within Shropshire. There is a commitment for scrutiny to focus on impact, but this can only happen when this shared vision for scrutiny exists;
2. **To drive cultural change and a broader cultural acceptance of scrutiny's role, member and officer champions for scrutiny should be identified.** The council needs named individuals who are committed to driving cultural change in the organisation on both the member and officer side. This will build a sense of collective ownership, but must be based on the role and functions for scrutiny that scrutiny members themselves have collectively decided upon;
3. **A comprehensive training programme around scrutiny for members and officers should be planned and delivered.** Part of cultural change is about developing a clearer sense of the tools available to members to support the scrutiny function. Work will need to be undertaken to identify obvious gaps in skills – on both the member and officer side.
4. **A dedicated overview and scrutiny officer resource should be put in place.** A phased approach to improving the scrutiny function will require a dedicated resource in place to put in place new systems and trial new approaches to scrutiny. This will, in particular, free up some time currently expended by senior officers in service departments in supporting scrutiny work;
5. **New structures, processes and protocols should be put in place to deliver improvements.** A blurring of member/officer roles and uncertainty around members' access to and use of information, along with inconsistent work programming, suggest that consistent, common systems for operating scrutiny need to be put in place, reflecting scrutiny's overall vision and purpose.
6. **These changes will need to be carefully planned and implemented at pace.** There is a moment of opportunity to make changes. The peer team understand and respect your current intention to confirm the existing scrutiny structures and systems at council AGM, making changes thereafter. However, the risk in delay is that the momentum will go out of the plans for change.

### 3. Summary of the Peer Challenge approach

#### The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Shropshire were:

- **Lead officer peer:** Ed Hammond, Director, Centre for Public Scrutiny
- **Member peer:** Councillor Terry Hone (Con), Deputy Leader and Finance Portfolio Holder North Hertfordshire District Council and Chairman of Overview and Scrutiny Hertfordshire County Council
- **Senior officer peer:** Sara Turnbull, Head of Member Services, Buckinghamshire County Council
- **Senior officer peer:** Clare Pattinson, Legal Manager, Governance and Elections, Durham County Council
- **Challenge Manager:** Patricia McMahon, Adviser Local Government Association

#### Scope and focus

The peer team considered the following five questions. These reflect the core components looked at by all corporate peer challenges, amended to reflect this review's specific focus on overview and scrutiny.

- a) **Understanding of the local place and priority setting:** how does Scrutiny's role fit with the Council's recognised corporate priorities, and how is that role linked to the needs and aspirations of local people?
- b) **Member leadership and relationships:** how do elected members lead and own the scrutiny process? How do the executive, senior officers, scrutiny, partners and other individuals and groups maintain positive working relationships? Is there effective political leadership from the executive side that highlights scrutiny's importance? What, if any, role does party politics play?
- c) **Resourcing and prioritisation:** how is scrutiny work prioritised, given limited resources, and how does it engage with the resource constraints faced by the authority and other bodies delivering public services locally?
- d) **Member access to information and skills to affect change.** How do members use data and information to carry out their work? How is information from officers presented to them – at committee and outside? Do members have the skills to sift and analyse information effectively, and do they have the officer support to do this?

In addition to these questions, the peer team were asked to consider/review/provide feedback on the Council's review of its structural arrangements for scrutiny, carried out in 2015 but yet to be implemented.



## The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite in Shrewsbury, during which they:

- Spoke to more than 30 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 18 meetings, along with additional research and reading.
- Collectively spent more than 100 hours to determine their findings – the equivalent of one person spending more than two and a half weeks in Shrewsbury.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (27<sup>th</sup> February to 1<sup>st</sup> March). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

The Council has a good understanding of the needs of their constituents, but this does not consistently influence how scrutiny's priorities are set and how it carries out its work.

Scrutiny's work within Shropshire does not seem to react to external stimuli. The peer team had expected to see some engagement with some of the significant strategic challenges facing the council – issues such as the pressing financial challenge and the drivers for economic growth. In particular, the team felt that the opportunity should have been grasped by scrutiny to engage in the commissioning agenda – particularly given that the strategic context for that issue at Shropshire has shifted substantially in the last two years.

The current scrutiny function tends to look at issues from the point of view of the council, rather than the point of view of local residents. It appears driven by the content of the Forward Plan, and members' personal interests, rather than by broader local pressures. This disconnect means that scrutiny struggles to feel relevant to those involved in decision-making. There is a real appetite to improve this.

An approach that recognises councillors' unique perspective as representatives of local people would allow members' insights to directly influence their scrutiny work. Recognition of members' unique skills in understanding local people's needs should influence the function's overall vision and purpose. This report will return to the issue of members' work being framed by the work of officers later.

The position with health issues is much more positive as scrutiny does engage more productively with external stimuli, but the team felt that this had happened due to scrutiny's statutory role here rather than a considered, cross-function agreement that such issues are important.

### **4.2 Leadership and relationships**

Both history and geography within Shropshire have an influence on the way that members participate in the scrutiny process. The difficulty that members have experienced in developing a clear and consistent vision for the scrutiny function means that, in some instances and for some committees, officers have needed to direct and manage aspects of the scrutiny function which would normally be led by members.

In thinking about scrutiny and its relationship with the rest of the organisation (and the wider community) we would encourage members and officers to think about the future rather than replaying difficult historical issues such as the 2009 reorganisation of local government across the county of Shropshire – including the scrutiny activities and priorities of the predecessor councils. Other influences, such as the move to become a commissioning organisation under the former Leader, also play a part in dislocating the scrutiny function.

We agree with feedback from officers and councillors that the council should be looking forward to future challenges and opportunities. There is, for example, an opportunity to think creatively about how scrutiny responds both to the challenge of commissioning and the wider public service reform agenda, but members' focus on the recent history of commissioning in Shropshire means that this strategic focus on the future does not exist.

Geography also presents a challenge. Shropshire is a very rural environment, and by area is one of the largest unitary authorities in the country. Members' close connection to their communities under these circumstances is to be commended. However, it is a real skill to be able to think more corporately to make strategic decisions across the council (some of which can impact negatively on different communities) To turn this round, members will need to develop, communicate and stick to a vision for the function.

There is a dissonance between some members, and most officers, in how they think of scrutiny's role, purpose and effectiveness. Those members most closely involved in the scrutiny function and its work are well-motivated and consider that they are leading, owning and driving the process. However, they do not seem to distinguish output from outcomes. Senior officers, however, see the situation differently. There has been a blurring of roles between members and officers in leadership on scrutiny. This highlights that – while enthusiastic – many members have not reflected on the role, function and purpose of scrutiny within the authority, and used that to influence the work they do and how workloads are prioritised. This disconnect presents itself through the way that reports are developed and presented to members, a process that is subject to too little member challenge.

Relationships between members overall are good and productive. However, there are a small but significant number of issues which suggest a broader disengagement with the scrutiny function in general.

The first of these relates to committee chairing arrangements. Opposition members feel strongly that they should be permitted to chair committees. The peer team are aware that there is no legal obligation to make chairing positions available to the opposition, but in many councils they do operate on this basis. This can be beneficial, provided that the chairs do not use the position for political purposes. In this instance, we recommend that the vice-chairships of committees in any new structure should be held by opposition members.

The second of these issues relates to the provision of special responsibility allowances (SRAs) to scrutiny chairs. The decisions of the Independent Remuneration Panel (IRP) on allowances are beyond the remit of the peer team, but this issue (and a perceived unfairness with current arrangements) are cited by many as a cause of the general disengagement with the scrutiny function. In the view of the peer team, the focus on SRAs is a symptom of the disengagement, rather than a cause of it. It is a useful, visible hook on which to hang criticism of the scrutiny function, when in fact there is a broader set of issues to resolve.

Shropshire Council may want to look again at the way that substitutions onto committees are managed. Substitution can be a way of ensuring political balance without ensuring that those members acting as substitutes are fully involved and engaged in the work of the committee. In the view of the peer team, structural change may help in ensuring that “filling” spaces on committees is less of a challenge, and wider changes to organisational culture will help to secure ongoing commitment from members to attend meetings.

Although these are not central to a well-functioning scrutiny system, left unaddressed, these issues would be likely to result in continued disengagement. The issue of the blurring of officer and member roles, in particular, risks negative consequences, highlighting the need to swiftly address the issue of scrutiny’s vision, purpose and direction.

#### **4.3 Resourcing and prioritisation**

Planning and co-ordination of scrutiny’s work, the need for focus, and the challenge of diminishing officer resources were all themes for the team’s findings and suggestions in this area.

Officers, and many members, feel that scrutiny committee agendas fail to tackle the real issues. Looking at examples of scrutiny agendas revealed inconsistencies in the ways that committees approached the challenge of prioritisation – some chairs take pride in a forensic approach to work programming, but for others the approach is more organic and ad hoc. There are advantages to either approach – members’ judgment plays an important part in deciding what issues to look, and not look, at. Equally, members need to be able to challenge their judgments with evidence, and take an informed view about where their input will add value. Although we saw some good examples, the peer team were not convinced that this happened across the board. Furthermore, there is significant inconsistency in how individual committees went about this prioritisation. This has naturally spilled over to influence the way that officers engage with the function.

Encouraging signs do exist but a sharper focus on making a difference will be important. The team were told, by members and officers, of examples of high quality scrutiny work – much of which takes place in task and finish groups. The team did see evidence that impact had happened in some areas – some of the work undertaken in the area of health scrutiny was cited to the team as having particular value. But the fact that scrutiny’s work is not consistently targeted at areas where officers and members jointly have confidence that it will make a difference means that there is only a weak understanding of what makes a positive impact. Members’ overall sense of scrutiny’s vision must be sufficiently focused to allow for a unique, defined niche to be occupied by non-executive activity that makes a well-understood contribution to policy development and the scrutiny of service performance.

Recognising the financial constraints of providing a dedicated scrutiny function, Shropshire, like many other councils, operates resources on an ad hoc basis. In order to consider this more strategically, it would be helpful for the Council to take stock of how much resource is provided to support scrutiny members and their work.

The Statutory Scrutiny Officer provides able and respected support for members, but at present is only able to devote around a day a week to this important work. Democratic services staff provides administrative support to committees, but unfortunately have limited capacity to provide more general policy support.

These arrangements mean that policy support has tended to fall to service departments. As well as the potential conflicts of interest which can arise, this also has significant resource implications. The peer team heard that a significant amount of time is spent by chief officers, and other managers, providing information and support to scrutiny committees.

The absence of a single individual on the officer side with overarching responsibility for ensuring the scrutiny function is efficient and effective has meant that this resource burden has become established within service departments. The peer team feel that managing this existing resource differently – by concentrating officer time in the form of a single, dedicated officer whose duties focus exclusively on scrutiny – will help with this, if bolstered by an officer champion for scrutiny at chief officer level. Success here is predicated, however, on the changes that we have recommended on scrutiny's structure, in order to reduce the resource burden on officers from having to provide policy and administrative support to numerous committees.

The peer team feel that this resource is something the council should consider for the initial phase of improvement work on scrutiny and then perhaps review.

There are many benefits of a dedicated resource, particularly to drive some of this improvement work in the short term. A dedicated (and preferably experienced) officer resource would help with prioritisation, and would also help members to trial and put in place different, innovative ways of working.

As part of a new structural approach which engages with new and different ways of working, Shropshire will need to think about the operation of various processes and systems – including the statutory processes that sit at the heart of scrutiny; for example, the use of call-in. Overall, the team felt that the opportunity existed for scrutiny's intervention in key issues relating to the performance and delivery of services to be managed "by exception" This will provide a further focus for scrutiny's work and allow members to have more general oversight of council services via informal information-sharing, as this report explains in the section below.

#### **4.4 Member access to information and skills to effect change**

It is important that members feel that they have access to the right information at the right time, and that they have the skills and capacity to use this information to make a difference to local people's lives through their scrutiny work. The peer team felt that your challenges here were threefold – on understanding and skills, on a commitment to address the impact of scrutiny's work through increasing the quality of scrutiny recommendations, and on developing appropriate mechanisms to share information with councillors in a timely and proportionate manner. These mechanisms would give members more of a sense of the strategic information that they could use to formulate their work programme, and to inform their scrutiny work more generally.

On understanding and skills, the peer team felt that there were some skills gaps amongst members and officers. Members do not always have the skills to be able to access and interrogate information effectively, and the team felt that this impacted adversely on the quality of scrutiny and meant that officers have had a tendency to provide only basic information.. For the team, it was clear from looking at the way in which work programmes for committees are formulated that it would be beneficial to provide officers with guidance about members' expectations for scrutiny. Sometimes requests for information, if not clearly articulated, can be misinterpreted leading to inappropriate or insufficient information being provided to members. Members should not rely solely on information selected, defined and provided by officers to inform their work.

This presents risks to scrutiny's independence. Training for Members would ensure they have the confidence and capability to understand what information does and does not exist (both within the Council and externally), how they can access it, and how they can triangulate council information with information from other sources.

The second area is scrutiny's impact, and the evaluation of scrutiny recommendations.

The peer team heard about how members and officers all felt that "task and finish" groups delivered better outcomes, more consistently, than committee work. The team looked in detail at some of these reports, and found that while they clearly reflected the substantial work undertaken via scrutiny, the formulation of recommendations was not universally robust. Further, there did not seem to be a clear process to track the reporting, implementation and monitoring of progress of recommendations. The team heard from a number of people that ongoing monitoring of scrutiny recommendations was not something that occurred in a systematic way. Putting in place more robust systems for assuring the quality and outcomes of recommendations should be a priority to ensure that scrutiny can demonstrate its impact on improved outcomes for the community.

The third area is the development of better mechanisms for sharing information with councillors and not using scrutiny as a means of accessing information. At the moment, information is predominantly shared in committee, although the team did hear about some other more informal forums and spaces that are used to share information on an ad hoc basis. These did not appear to be consistently utilised by members.

Learning from other councils, there are many other ways to share information with Members in a more informal way. The use of digests to provide members with key corporate information, and the use of informal member briefings, are things with which the council is already familiar, but their use needs to be made more consistent, and similar information-sharing activity at committee reduced so as to minimise duplication.

#### **4.5 Reflections on proposals to restructure overview and scrutiny (as originally put forward by the Member Working Group in 2015)**

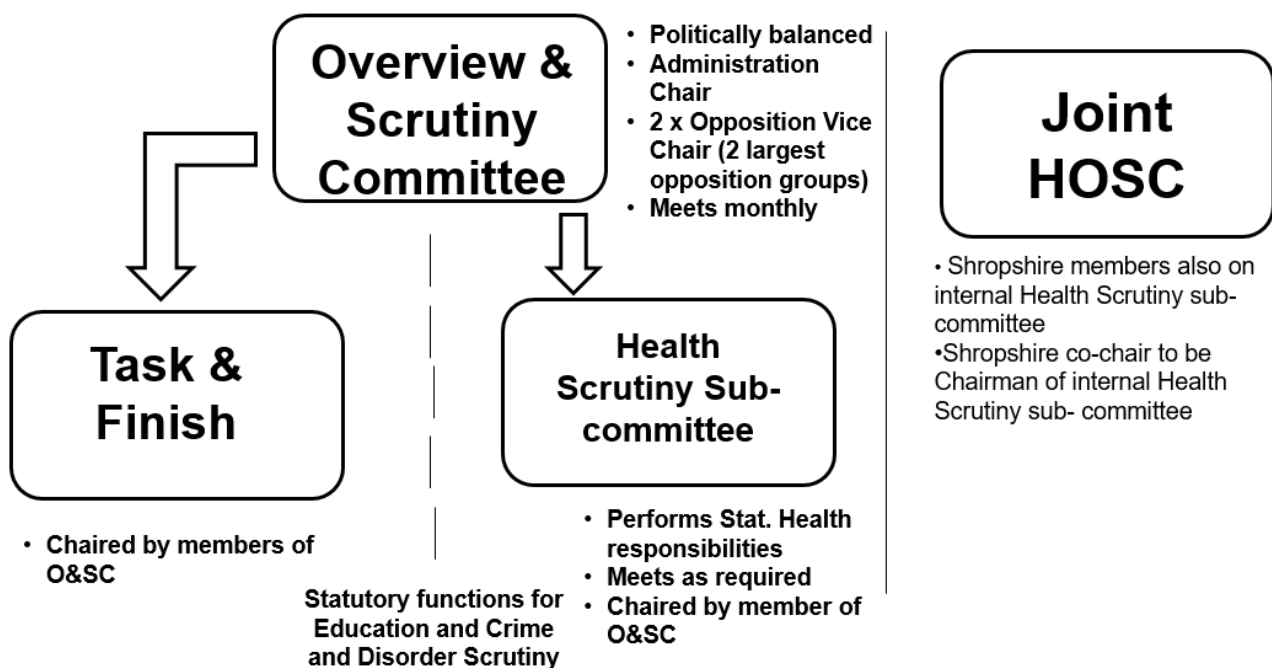


It was requested by Shropshire council that the peer team look again at the existing proposals for changing scrutiny's structures put forward by an internal Members Working Group in 2015.

These proposals were developed when the strategic direction for the council looked rather different, as has been noted above. Reviewing them involved reflecting on the evidence already received on scrutiny's role and purpose, its strengths and weaknesses, and considering whether the structure as set out continued to be fit for purpose.

The peer team looked at this structure alongside the existing six scrutiny committee structure, as well as using other notional structural models to draw out what options might be best suited to the Shropshire context.

On balance, the peer team felt that the 2015 plans – with minor amendments – present a positive way forward. The team felt that those plans were still fit for purpose, and that they reflected a more focused and targeted scrutiny function. Putting in place these structural changes must however be hand-in-hand with the wider cultural and system changes suggested earlier in this report. Without those changes, an approach which focuses solely on scrutiny's structures will fail.



The principal features of this system are that it involves:

- An administration chair, but two opposition vice chairs, representing the two largest opposition groups. We think that drawing opposition parties into the leadership of scrutiny will be an important and positive commitment to its future as a real cross-party apolitical function driving positive outcomes for the community;

- Regular, monthly meetings. The reduction in the number of committees means that an increase in the frequency of the single overview and scrutiny committee can be delivered within existing resources. This will make scrutiny more responsive to immediate local needs;
- Education and crime and disorder functions transacted by the main overview and scrutiny committee;
- Task and finish groups to be commissioned by the main overview and scrutiny committee in accordance with local priorities, and chaired by members of that committee. This approach enables – with the support of a dedicated scrutiny officer – a more meaningful and productive task and finish group – drawing in the support of a wider range of members, but through chairing arrangements still assuring that work’s ownership by the main committee;
- A separate health scrutiny sub-committee. The team thought that this was important, to develop a Shropshire-specific response to joint issues with Telford and Wrekin, and to deal with health issues which have an impact on Shropshire alone. Importantly, the peer team’s view was that this sub-committee would deal with statutory health responsibilities only (it would not be a committee with a wider remit to look at social care issues, for example – those issues, and their connection with the wider health agenda, would be picked up by the main committee). This committee would meet as required – it would not establish task and finish groups;
- Retention of the existing, joint scrutiny arrangements with Telford and Wrekin. The team envisage that Shropshire’s co-chair of this committee would be the chair of the health scrutiny sub-committee.

## 5. Next steps

### Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. In particular, the team would like to recommend that you put plans in place without delay to embark on a full Corporate Peer Challenge. The team feels that Shropshire would benefit from such an exercise, as it would be able to engage more fully with some of the political and organisational issues touched on as part of this exercise. The team feel that without engaging with that corporate challenge process, delivery of the recommendations that they have put forward may be significantly more challenging.

The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Helen Murray, Principal Adviser is the main contact between your authority and the Local Government Association (LGA); you already have her contact details.

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to



examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### **Follow up visit**

This process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years. In the expectation that you will shortly be embarking on a Corporate Peer Challenge, the team would suggest that you speak to the LGA about conjoining the scrutiny follow up visit with the follow up for that wider process.

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**The Leaders proposed Overview and Scrutiny structure:**

<b>Committee Title</b>	<b>Outcomes that the Overview and Scrutiny Committee is responsible for</b>	<b>Service Areas</b>	<b>Portfolio Holder</b>	<b>Directors/Corporate Heads</b>
Performance Management Scrutiny Committee	<ul style="list-style-type: none"> <li>• Setting the Strategic Scrutiny Work Programme and commissioning work to deliver it to the appropriate Overview Committee</li> <li>• Monitoring the corporate health and performance of the Council, based on exception reporting</li> <li>• Monitoring the delivery of the Council's Strategic Action Plans</li> <li>• Review of and contribution to the development of the Council's Financial Strategy and annual budgets</li> <li>• Review of the achievement of value for money in terms of the balance between the cost and quality of service</li> <li>• Review of the arrangements for, and use of data from, customer feedback, insight and experience</li> <li>• Monitoring the impacts of key projects and initiatives delivered by the Council (including Public Health) such as those in the Strategic Action Plans</li> <li>• Call-in of decisions</li> </ul>	<ul style="list-style-type: none"> <li>• HR and Development</li> <li>• Financial strategy</li> <li>• IT/Digital Transformation Plan</li> <li>• Commercial working and use of assets</li> <li>• Balance of cost and quality</li> <li>• Customer feedback, insight and experience</li> </ul>	<ul style="list-style-type: none"> <li>• Leader of the Council</li> <li>• Corporate Support</li> <li>• Finance</li> </ul>	James Walton Michele Leith George Candler
Health Overview and Scrutiny Committee	<ul style="list-style-type: none"> <li>• Review of the planning, provision and operation of health services that meet local needs</li> <li>• Review of arrangements for ensuring that families and individuals with complex health needs are supported or protected</li> <li>• Review of the arrangements for ensuring that vulnerable adults are supported and protected,</li> <li>• Review of provision for ensuring that people with long term conditions are able to live independently</li> </ul>	<ul style="list-style-type: none"> <li>• External focus - Health Trusts which are based in, impact on or provide services to Shropshire People.</li> <li>• Adult Social Care</li> <li>• Adult Social Care and Health integration</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Adult Social Care</li> </ul>	Rod Thomson
People Overview	<ul style="list-style-type: none"> <li>• Deliver Strategic Scrutiny Work Programme topics by carrying out research and develop evidence based recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Children's Social Care</li> <li>• Housing (Housing</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Adult Social Care</li> </ul>	Andy Begley Karen Bradshaw

Committee Title	Outcomes that the Overview and Scrutiny Committee is responsible for	Service Areas	Portfolio Holder	Directors/Corporate Heads
Committee	<ul style="list-style-type: none"> <li>• Review of provision for ensuring that older people are active and healthy with employment opportunities.</li> <li>• Review of the arrangements for ensuring all local children and young people are achieving their potential</li> <li>• Review of provision for ensuring that older people are active and healthy with employment opportunities.</li> <li>• Review of the arrangements for people of all ages to make healthy lifestyle choices and access support, where necessary, to act on them</li> <li>• Review of the arrangements for ensuring that vulnerable children and young people are supported and protected,</li> <li>• Review of the arrangements to support families and prevent children and young people from needing to enter into care unless it is the best way to ensure their safety and wellbeing.</li> <li>• Review of the arrangements for promoting more active communities</li> <li>• Review of the delivery of housing options which meet local needs, particularly in relation to the availability of affordable housing.</li> </ul>	Options etc) <ul style="list-style-type: none"> <li>• Public Health</li> <li>• School/education related matters</li> </ul>	<ul style="list-style-type: none"> <li>• Children's Services and Education</li> </ul>	Rod Thomson
Place Overview Committee	<ul style="list-style-type: none"> <li>• Deliver Strategic Scrutiny Work Programme topics by carrying out research and develop evidence based recommendations</li> <li>• Review of the delivery of the agreed lower carbon footprint and emissions targets, including air quality, by the Council and its partners.</li> <li>• Review of the actions to protect, enhance and value our natural resources, and respect the historic environment.</li> <li>• Review of the arrangements to safeguard and promote a clean and green environment</li> <li>• Review and evaluate the delivery of work to reduce landfill and waste</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Natural Resources and aggregates</li> <li>• Development Control</li> <li>• Highways and Transport</li> <li>• Waste</li> <li>• Economic Growth</li> <li>• Broadband and Mobile Networks</li> <li>• Promoting Shropshire</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and Regulation</li> <li>• Economic Growth</li> <li>• Highways and Transport</li> </ul>	George Candler

Committee Title	Outcomes that the Overview and Scrutiny Committee is responsible for	Service Areas	Portfolio Holder	Directors/Corporate Heads
	<ul style="list-style-type: none"> <li>• Review of the enablement and impact of initiatives to enhance the economy</li> <li>• Review of the management and development of the physical and digital infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce skills and employment</li> </ul>		
Communities Overview Committee	<ul style="list-style-type: none"> <li>• Deliver Strategic Scrutiny Work Programme topics by carrying out research and develop evidence based recommendations</li> <li>• Review of arrangements to develop and promote Tourism in Shropshire</li> <li>• Review of arrangements for vibrant and resilient, cohesive local communities, able to take greater responsibility for their well-being.</li> <li>• Review and evaluate of the delivery of agreed actions, on a partnership basis, for reducing the levels of crime and antisocial behaviour, and for increasing public reassurance</li> <li>• Review and evaluate the availability and provision of cultural and leisure facilities for local people</li> <li>• Review and evaluate the Council's working with Town and Parish Councils</li> <li>• Review and evaluate how the Council works with the Voluntary and Community Sector</li> </ul>	<ul style="list-style-type: none"> <li>• Libraries</li> <li>• Culture and Leisure</li> <li>• Countryside and outdoor green spaces</li> <li>• Public Protection</li> <li>• Crime and Disorder Scrutiny</li> <li>• Flooding</li> <li>• Working with Town and Parish Councils – local service delivery</li> <li>• Emergency Planning</li> <li>• Voluntary Community and Social Enterprise Sector</li> </ul>	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Culture and Leisure</li> </ul>	George Candler Rod Thomson

DRAFT

## **Part 5 - Protocol: Task and Finish Groups**

1. Task and Finish Groups may be established by the Council, by Cabinet or by Committees of the Council (except for Planning and Licensing) and their sub-committees.
2. The purpose of any Task and Finish Group will be to carry out an assigned piece of work according to the remit established by the parent body, and to report its findings and conclusions back to that parent body.
3. As part of its methodology, a Task and Finish Group may wish (but is under no obligation) to include a draft report to the parent body before finalising its conclusions.
4. Every Task and Finish Group need not be politically balanced. Members of the Task and Finish Group should have a special knowledge or interest in the subject to be investigated. The presumption shall be that other members of Council have delegated their authority and trust to those subsequently appointed to serve on the Task and Finish Group, to complete their work in an effective manner. If it is not possible to reach agreement on the membership of a Task and Finish Group the make-up of the group will be based on political balance.
5. Unless otherwise agreed by the Task and Finish Group, the documents relating to it should be regarded as documents for a “work in progress” and as such are not in the same category as committee documentation which is generally regarded as complete.
6. Task and Finish papers may contain work undertaken on a range of proposals, some of which may be put forward to give comparison between a range of possibilities, and/or to help members clarify arguments for or against certain actions.
7. In some cases, premature publication of such documents may be counter-productive, in raising concerns that the Council may be inclined to a particular course of action, before any alternative courses of action have been considered or tested.
8. Members of a Task and Finish Group should therefore consider the papers sent to them in connection with their work to be of a sensitive nature, and should not copy, or cause them to be copied, outside the group. However, where a member of the Task and Finish Group feels that there would be benefit from the Group seeking the views of an external body, group or individual, then they should be invited to attend a future meeting for this purpose.
9. The Chair of the parent body may request copies of papers for their information only, but again must not copy, or cause them to be copied further.
10. This proscription is not intended to obscure the need for transparency in local government decision making, but to ensure that the fullest possible range of options in any case, may be considered, without unduly raising disquiet.
11. Members of any Task and Finish Group should however be free to brief their political groups about progress in general terms and consult with their members at the point at which outcomes are becoming clearer.
12. Unless otherwise agreed by the Task and Finish Group, its meetings will be held in private. Agendas will be provided for all members and will clearly indicate the items to be discussed. Any member wishing to attend the meeting who is not a member of the Group shall be entitled to attend. Unless they have a disclosable pecuniary interest in a matter under discussion, any member may speak having first given prior notice of their intention to do so or otherwise at the discretion of the chair.





## General Framework

1. It is important to note that such work will generally be carried out through in depth reviews by the Overview and Scrutiny Committee or its sub-committee. Committee agendas should ideally have a small number of topics on them i.e. 1 or 2, so that there is the opportunity to explore issues thoroughly. The in depth work can be carried out by the Committee, or by Task and Finish Groups.

3. Work Plans for the Overview and Scrutiny Committees are developed using topics proposed by Members.

Work Plans develop and evolve from a combination of the following:

- Areas that emerge through the transformation process
- Matters referred to O&S from Council/Cabinet
- Outcomes of public engagement
- Suggestions made by Council Members
- Suggestions made by the Council's Director Team
- The Council's Strategic Action Plans
- Forward Plan for Cabinet
- Performance Monitoring Reports
- Suggestions made by Partners/Stakeholders
- Suggestions made by the public/communities
- Topics from financial monitoring reports/financial strategy
- Issues from reports from internal audit and from inspections and peer reviews

4. The Overview and Scrutiny Committee or relevant sub-committee assesses whether work plans are manageable and focus on improvement and outcomes that make a difference to local people. Officers will support Members to prioritise the topics and build in timing that allows the opportunity to inform decisions. The Overview and Scrutiny Committee or relevant Sub-committee also decides which matters require more in depth scrutiny, through the establishment of a Task and Finish Group, and set the terms of reference and deadlines for the Group to report back.

5. Where new matters arise following the setting of the work plan the following Protocol will be adopted:-

- a) Chairman of the Overview and Scrutiny Committee or relevant sub-committee discusses with their Scrutiny Officer
- b) If issue can be resolved outside the Overview and Scrutiny system, Scrutiny Officer forwards for resolution as appropriate
- c) If issue cannot be resolved outside the Overview and Scrutiny system, the matter will be referred to the next Overview and Scrutiny Committee or relevant sub-committee to consider if and when it should be included in its work plan.

6. Where urgent matters arise the Scrutiny Officer will consult with the Chair of the Overview and Scrutiny Committee or relevant sub-committee to decide if an urgent meeting of the Committee or sub-committee is required.
7. Once the topic area for review is agreed, the Corporate Head of Legal and Democratic Services will confirm with Corporate Directors which Officer will lead on this matter. This Officer will draft all reports for the meetings and carry out necessary research in liaison with the Scrutiny Officer.

8. The Scrutiny Officer will support the Corporate Director and ensure all witnesses, co-optees, papers, etc are ready for consideration by Scrutiny members in the agreed timescales.

**Note:**

(1) Statutory Scrutiny Officer will:-

- Co-ordinate the support available to deliver outcomes from overview and scrutiny activity undertaken by the Council
- Assist in ensuring that proper provision is made for independent O&S support to Members

(2) See also Task and Finish Protocol

## Appendix 5

### **Protocol on the appointment of Members to Scrutiny Task and Finish Groups.**

This protocol outlines how Members will be appointed to Overview and Scrutiny Task and Finish groups.

Where the Overview and Scrutiny Committee or its sub-committee decides that a Task and Finish Group should be established to examine a particular concern, the Committee or relevant sub-committee should specify:

- (a) the minimum and maximum number of members to be appointed to the group
- (b) the task which is being remitted to the group.
- (c) where possible, the range of skills/abilities/knowledge/expertise required

All members will be notified of the decision and invited to express an interest in joining the group by responding with a brief note of how their particular range of skills and abilities match to the perceived requirements. Members with a disclosable pecuniary interest in the subject matter should not express an interest in joining the group.

After the closing date for interests to be registered, the Scrutiny Officer, in consultation with the Chair of the Overview and Scrutiny Committee or relevant sub-committee and the proposed chair of the task and finish group will consider those expressions of interest, and may speak to the Members concerned to clarify any issues.

After due consideration, Members shall be appointed to the Task and Finish Group having regard to the range of skills/abilities/knowledge/expertise demonstrated by Members.

Membership of a political group should not be a factor in appointment, but where possible the Members appointed should include at least one member from each group, and for County Wide issues have an appropriate geographical spread so that differences between communities can be considered.

Once confirmed the membership of a Task and Finish group and the list of those who volunteered to join the Task and Finish group will be shared with all Members.

Where it is not possible to reach agreement on the membership of a Task and Finish group the make-up of the group would be based on political balance.

Care should be taken to secure the appropriate number of members for the delegated task.

For the avoidance of doubt and in the interests of openness where possible, a summary of the reasons for appointment of one member over another should be made and maintained.
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Task and Finish groups can appoint outside persons with expertise as non-voting co-opted members to join the group for certain parts of the work.



## Committee and Date

Council

20 July 2017

10.00am

## **Consultation On The Proposal Of The West Mercia Police And Crime Commissioner (PCC) To Change The Governance Of Fire Authorities**

**Responsible Officer** Clive Wright

e-mail: [clive.wright@shropshire.gov.uk](mailto:clive.wright@shropshire.gov.uk)

Tel: 01743 258675 Fax: 01743 254402

### **1. Summary**

- 1.1 The West Mercia Police and Crime Commissioner (PCC) has initiated a consultation on proposals to combine the Herefordshire and Worcestershire Fire Authorities with the Shropshire Fire Authority (which includes Telford and Wrekin) under his governance. Currently the two Fire Authorities have a governance structure comprised of Elected Members from their respective Local Authorities.
- 1.2 The consultation is due to close on the 11th September, after which it is understood that the PCC will submit a case to combine and consolidate the governance of the two Fire Authorities to the Secretary of State, who should make a decision or appoint a review of the case within three months. Worcestershire County Council, Herefordshire County Council, Telford and Wrekin Council and Shropshire Council are statutory consultees.
- 1.3 The Leaders of the above councils have met and have agreed a joint draft response to the consultation (final draft yet to be agreed).

## **2. Recommendations**

- 2.1 It is recommended that the Council supports and approves the current joint draft response of the all the Councils (Worcestershire County Council, Herefordshire County Council, Telford and Wrekin Council and Shropshire Council), which is to reject the Police and Crime Commissioner's Proposal (draft letter appendix 1).
- 2.2 The Leader of Shropshire Council is delegated the responsibility of finalising the draft letter in consultation with the Leaders of the Opposition Parties within the Council and the Leaders of the other Councils within West Mercia.
- 2.3 The Leader of the Council has delegated responsibility to request that the Shropshire Chief Fire Officer and Shropshire Fire Authority work with their counterparts within West Mercia (and in the West Midlands as necessary) to produce alternative proposals which delivers, as far as possible and practicable, the benefits claimed in the Police and Crime Commissioners proposals, but retains local democratic control through the Council's Elected Members of any or all first tier Local Authorities throughout the geography in which the new arrangements might operate.

## **REPORT**

- 3.1 The proposals of the Police and Crime Commissioner are set out at Appendix 2.
- 3.2 The proposal being consulted upon is that the Police and Crime Commissioner would become the single point of governance accountability. This would mean that the two Fire Authorities would be abolished and governance of the new Fire Authority would be given to the Police and Crime Commissioner, along with their existing governance responsibilities for the West Mercia Police Service.

#### 4. Risk Assessment and Opportunities Appraisal

- 4.1 The proposals of the Police and Crime Commissioner risk a loss of control and influence by Elected Members of the Council over the operation of the local Fire Service. This could lead to diminished, or reduced services, with no local accountability. The Police and Crime Commissioner would also have control over the setting of Council Tax precepts that relate to the Fire Service, again with no local accountability through Elected Members.

#### 5. Financial Implications

- 5.1 The proposals claim that under a rationalised governance structure, and by combining functions, savings of £4 million could be delivered. These savings are yet to be substantiated by any process of scrutiny or due diligence.

**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)**

Peter Nutting.

**Local Member**

**Appendices**

Appendix 1: Joint Draft Response.

Appendix 2: Police and Crime Commissioner Proposals.

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## **APPENDIX 1: DRAFT TO PCC**

Added from Shropshire Council: There are also concerns over the democratic deficit that the proposal risks if there is no local accountability?

**From:** [Johnson, Anthony \(Cllr\)](#)

**Sent:** 28/06/2017 09:39

**To:** '[peter.nutting@shropshire.gov.uk](mailto:peter.nutting@shropshire.gov.uk)'; [sgeraghty@worcestershire.gov.uk](mailto:sgeraghty@worcestershire.gov.uk); [Davies, Shaun, Cllr](#)

**Cc:** '[Peter Butlin](#)'; [Johnson, Anthony \(Cllr\)](#)

**Subject:** Draft for PCC

Dear all

I attach a proposed draft e-mail below to John Campion for your consideration.

I think this contains all of our main concerns. Please feel free to add or amend as you see fit, and I would be grateful if you could send your versions back to me asap so I can send on to John.

Regards

Tony

Dear John

### **West Mercia Fire and Rescue Governance**

Thank you for your email of 12 June enclosing details of the consultation you are undertaking in relation to proposals to move to a joint commissioner for police and fire in the West Mercia area.

Our councils will each be formally responding to the consultation in due course. However we wanted to write to you in advance of those formal responses because of our shared concerns that the focus of the financial business case informing the consultation appears to be limited to a single option with ambitious savings associated with it. On the basis of the information available to us currently, the ability to deliver such significant savings through a bringing together of governance arrangements seems to be uncertain. This uncertainty inevitably leads to concerns that if the proposed savings are not achievable through the proposed changes to governance they will need to be delivered through other means which will either adversely impact on service delivery in the West Mercia area and/or significant changes to the precepts currently levied in some or all of the area concerned.

We of course recognise the powers contained within the Police and Crime Act, and we collectively fully support your ambition to ensure that the police and fire services are operating in the most efficient and effective way possible. However, in light of our concerns about the financial business case currently informing your proposal we ask that you consider exploring the financial business case behind a wider range of options which may achieve the same benefits in a more sustainable way.

If you would like to meet to discuss our concerns we would be happy to do so.

Yours

Councillor AW Johnson  
Herefordshire Council

Councillor P Nutting  
Shropshire Council

Councillor S Davies  
Telford and Wrekin Council

Councillor Simon Geraghty  
Worcestershire County Council



## **APPENDIX 2**

Councillor Peter Nutting  
Leader of Shropshire County Council  
The Shirehall  
Abbey Foregate  
SHREWSBURY  
Shropshire ST2 6ND

9<sup>th</sup> June 2017

Our Ref: JpC/mwb

As we discussed when we met, the Police & Crime Act enables Police and Crime Commissioners to become the governing body for the Fire and Rescue Services within their area if it increases the efficiency and effectiveness of the police and fire services.

With this in mind I have commissioned an independent business case to consider if any benefits could be achieved in our area from this governance change. As you will see, the business case concludes that there are significant benefits to be gained from bringing the governance of the two emergency services together, in terms of effectiveness, efficiency, improved public safety and community resilience.

The identity of both fire services and West Mercia Police will not be altered. Local fire crews and police officers will still serve their communities as they do now. This change in governance would not lead to reductions in frontline police or fire officers. Indeed, the idea is to improve frontline services by enhancing the way police and fire work together.

I recognise that the initial business case is just the first step on the journey of any potential fire governance changes and I am keen to hear the views of your Council in order to help shape the next steps.

I enclose a consultation pack including a covering letter, draft business case and commitments, FAQs, and consultation form.

The process to be followed is set out in legislation. It requires me to consult with the people of West Mercia, the workforce of the two Fire and Rescue Services and the Police, and the four upper tier local authorities. I am also seeking the views of the public, the District Councils in my area and of our MPs. Following that I shall review the business case, taking into account the responses from the consultation, and submit it to the Home Secretary for consideration.

You will see from the consultation pack that I am proposing to invite you to nominate local fire representatives to work with me, to support and enhance my work as Commissioner, and I envisage that they would be a strong link to your council and your community. I am interested in your views of how such local authority representatives could be appointed and what their responsibilities would be.

I am also interested in your views as to how governance changes could be implemented. The consultation launches on the 12<sup>th</sup> June and will run for three months. At the end of the consultation period I will consider all views before finalising the business case for submission to Government.

Your Councils response to this proposal can be submitted by email or in writing to the details contained in the consultation pack.

I believe the initial business case has identified a significant opportunity to improve services for the people of West Mercia, but I am keen now to hear your views and the views of the communities we serve.

Yours sincerely

John Campion  
**Police & Crime Commissioner**  
**West Mercia**

Cc Chief Executive

Yours sincerely,

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## **West Mercia Fire and Rescue Governance**

### **Consultation Pack**

I believe that by changing governance arrangements for our local fire services we can deliver more effective, efficient services to our communities.

By assuming the role of our two Fire Authorities we can significantly improve local police and fire services, whilst saving the taxpayer £4m a year.

I am consulting our communities and partners on these proposals and want to hear from as many people as possible before the closing date on the 11<sup>th</sup> of September. This pack is designed to give you all the information you need to understand the plans, the reasons behind them and to take part in the consultation. It contains:

- The commitments I would hold myself to as Commissioner for local fire services
- The business case setting out recommendations and evidence for change
- A Q&A document, covering questions that may arise as part of this consultation
- A copy of the consultation document

These documents are also available on my website, [www.westmercia-pcc.gov.uk](http://www.westmercia-pcc.gov.uk). Alternative formats of the consultation are available via my office on request.

For me, these proposals are about delivering the best long term results for our communities and our emergency services. Our Fire Authorities have laid some good foundations, but it's clear to me that our communities are not getting the most effective, efficient services they could. That can only be achieved by making this change.

By ensuring our police and fire services are collaborating and integrated as much as possible we can deliver better emergency responses, improve prevention measures, and increase information sharing between the services. It allows us to deliver necessary efficiencies in a way that protects the frontline, fully respecting and retaining the professional skills and knowledge within each service and geographic area, which I think is a key priority for our communities.

Thank you for taking part in the consultation.



**John Campion, West Mercia Police and Crime Commissioner**





**John Campion**  
**Police and Crime Commissioner**  
**West Mercia**



# West Mercia Fire and Rescue Governance

June 2017



# Foreword

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**I stood to become West Mercia's Police and Crime Commissioner because I believed I could improve the service our communities get from their police force. It is for the same reason that I believe we need to pursue the opportunity to move to a joint Commissioner for Police and Fire; in the best future interests of our emergency services and communities.**

Our police and fire and rescue services both provide a vital safety net to our communities, who need to know those services are there when they need them; whether that's preventing emergencies, or handling them when they do occur. Both services help protect the most vulnerable people amongst us every day. Whilst their front line skills, training and equipment may differ, both services rely on hard-working officers who put themselves in harm's way to keep us safe.

These officers in both services also need the right structures, cultures and support services behind them in order to do their work to the best of their abilities. There are clear areas of common interest, but while we have seen a degree of service collaboration up to now, these areas of overlap are almost entirely unexplored when it comes to service integration.

As Commissioner for both policing and fire I would be uniquely positioned to build on the existing good work of our Fire and Rescue Authorities, going beyond our current limitations to make that integration happen in the best interests of our communities.

Integration and collaboration does not mean 'takeover'. I fully respect the unique skills and professionalism involved in the frontline services in each organisation and want to not only retain them, but develop the skills and capabilities in each service as much as possible, for the good of individual staff, the wider organisations and communities as well. Integration cannot and would not come at the expense of quality of service delivered, which I want to continue to improve.

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I stood to become West Mercia's Police and Crime Commissioner because I believed I could improve the service our communities get from their police force.

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Each organisation has good foundations from which to build, but faces further challenges ahead in how it works. The need to maximise potential around effectiveness and efficiency in our emergency services has never been greater, but it can be achieved.

Beyond my tenure as PCC, this change in governance would bring benefits long into the future. For policing, the transition from Police Authorities to PCCs has meant more public accountability and engagement, more transparency, improved partnership working, things getting done faster, clearer holding to account processes and a strong community voice into our emergency service.

These benefits can all be realised around our fire and rescue services too, if we move forward from our good foundations, and embrace a new way of delivering the very best for our communities.

From improved HMIC reports to new technology - I am delivering on my promises as Police and Crime Commissioner. In this document I am putting forward the additional pledges I would expect the public to hold me to as a joint Commissioner for fire and rescue services, as part of a single clear, consistent and integrated plan.

“

Now is the opportunity to take collaboration to the next level and deliver for our communities.

”



**John Campion**

West Mercia Police and Crime Commissioner

# A safer West Mercia

Communities expect their fire and rescue services to be there when they need them, with the right skills and equipment to respond quickly to unpredictable circumstances. For me this is a fundamental requirement which cannot be compromised. I will keep our communities safe by ensuring this is always the case and build on that foundation, by improving collaboration and focusing on preventing emergency incidents from happening in the first place.



Visit to the new shared police and fire Operations Communications Centre, currently under construction at Hindlip

## As Commissioner for fire and rescue services I would:

- Protect, and where possible improve the level of service our communities receive
- Ensure the right response to incidents is available at the right time, including incidents where multiple agencies are required.
- Ensure the best possible use of public money
- Reduce emergency demand, with a focus on education and prevention
- Back our officers with the resources they need to do their jobs effectively and efficiently
- Ensure our services work more closely with partners to improve community resilience
- Hold Chief Officers to account to ensure an effective, efficient service for our communities

# A reformed West Mercia

Our fire and rescue services are hard-working, professional organisations that deliver a good service to our communities. However, their full potential for effectiveness and efficiency is harder to achieve within current governance and operational models. Limited collaboration with each other and the police force has gone on up to now, but this must be strengthened, deepened and accelerated if all our services are to deliver the best results they are capable of.

I want to build on the good foundations set by our Fire and Rescue Authorities to deliver modern, innovative fire and rescue services that lead the way nationally; whether that is in terms of emergency responses, back-office support functions or value to the taxpayer. However well these areas are performing now, it is only through proper and meaningful integration with each other that we can fully unlock the potential benefits.

## As Commissioner for fire and rescue services I would:

- Maximise the potential benefits of integration between our police and fire and rescue services to improve the effectiveness, efficiency and resilience of services
- Ensure services are financially sustainable over the short, medium and long term
- Establish a formal alliance between Shropshire and Hereford & Worcester Fire and Rescue Services, to retain local identities and services whilst realising the potential benefits of scale and service resilience
- Improve relevant sharing of data between police and fire and rescue services. This would improve everything from emergency responses through to future planning
- Ensure a collaborative approach to training between our police and fire and rescue services, integrating training wherever appropriate
- Integrate resources between police and fire and rescue services to provide better services in rural areas
- Ensure our front line officers are supported by a world class back-office function
- Ensure a geographic spread of skills and resources



# A reassured West Mercia

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It is vital that our communities not only are safe, but feel safe as well. This element of reassurance is as important in fire and rescue considerations, as it is for policing and crime.

Our emergency services have a crucial role to play in our communities, beyond responding when there's an emergency. They play a central role as a part of the communities they serve every day. I want to ensure that is the case where our fire and rescue services are concerned.

I want to build on their current education programmes to really involve and empower communities to play their pivotal roles in preventing emergencies in the first place; whether that is around road safety, water safety or simple fire precautions. Giving people the opportunities to learn, think and take positive action around these kind of issues can be hugely beneficial to our fire and rescue services, and can certainly help our communities rest a little easier at night.

I also want to provide reassurance as Commissioner, ensuring our communities can have faith in me, as well as the Chief Officers I would hold to account on their behalf. I would ensure proper transparency, giving communities and partners the opportunity to scrutinise my work.

I would build a visible presence, working with local authorities and other partners to engage with our communities and provide a strong voice on their behalf, making sure their priorities are understood and needs are being met.

## **As Commissioner for fire and rescue services I would:**

- Maintain and build on effective education programmes to prevent emergencies and provide reassurance
- Provide a strong voice for our communities, to ensure their priorities are understood and acted upon
- Empower communities to take more action to stay safe and prevent emergencies
- Have a visible, accessible presence for both our communities and our fire services, ensuring public accountability and community reassurance
- Work with partners to ensure the best possible results
- Be open and transparent with my work and decisions, to allow proper scrutiny and ensure public confidence
- Invite our councils to nominate local fire representatives to work with me, to support and enhance my work as Commissioner



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# **Sustaining Resilience, Exploiting Information, Enhancing Service**

Initial Business Case considering the governance of  
Shropshire Fire and Rescue Service  
and  
Hereford and Worcester Fire and Rescue Service  
by the  
West Mercia Police and Crime Commissioner





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## Researchers and Authors:

Dr. John Beckford, Keith Elford, Professor Peter Kawalek



## 1: Executive Summary

- 1.1: Beckford Consulting was commissioned by the Police and Crime Commissioner for West Mercia (PCCWM) to consider the initial business case for the governance, by PCCWM of Hereford and Worcester Fire and Rescue Service (HWFRS) and Shropshire Fire and Rescue Service (SFRS).
- 1.2: Consultation was undertaken with the PCC, Chairs of the two Fire Authorities and the Chief Officers of HWFRS, SFRS and West Mercia Police (WMP), their deputies and other nominated key officers and officials and consideration given to the substantial documentation provided by all three organisations. Workshops including the political and officer leadership of the affected organisations were held to provide the opportunity for collective engagement and debate about the ways forward.
- 1.3: The review work took into account the three principal options available to the organisations:
- Maintain the status quo;
  - Joint governance;
  - Single employer.
- 1.4: We consider that there is a business case for a change to joint governance of the three organisations. The business case can be summarised as follows.
- 1.4.1: Enhanced collaboration between police and fire services in West Mercia would create an opportunity to enhance Public Safety and Community Resilience across the three counties, within current resources, at a time when funding is more likely to be further squeezed than increased. The effect will be to strengthen the long-term resilience of police and fire services in a rural region where maintaining local services is challenging. It will create potential efficiency gains of £4m per year plus.

To achieve these outcomes, collaboration should include:

- Joint leadership and strategic planning, ensuring that collaborative activity is systematic, committed, and intentional;
  - Shared enabling services, supporting and removing barriers to collaboration; allowing efficiency gains; tailored to the needs of the three services, distributed and integrated;
  - Enhanced, front-line operational collaboration.
- 1.4.2: Features of operational collaboration would be likely to include (for example):
- A shared control room;
  - Routine sharing of stations and other assets;
  - Routine sharing of resources in the management of a variety of situations including RTCs and missing persons incidents,
  - Intelligence sharing;
  - An expansion of the PCSO/RDS scheme.

1.4.3: In our judgement, joint governance offers the best route to achieving these outcomes because, in contrast to maintaining the status quo, it simplifies decision-making. A single governance and decision-making forum creates a focus for ambition and drive, and makes it easier to create clarity of strategic direction. The appointment of a PFCC offers clear accountability to the public for the desired outcomes and makes it easier to remove barriers and bureaucracy:

- Whilst the current governance arrangements provide good ambition and solid foundations, maintaining the governance status quo (and its associated trajectory) would not deliver the available efficiency and economic gains and with continuing pressure on public finances it will become ever harder for the individual organisations to sustain resilient services;
- Attempting to bring the organisations together through a single entity, single employer model would offer only marginally greater benefits while introducing significant complexity, tension and organizational disruption with the potential to threaten public safety or community resilience and confidence in the services;

In contrast to the single employer model, joint governance achieves the required level of focus and purpose without the costly, complex, time-consuming, controversial and potentially distracting process that model would inevitably involve.

1.4.4: The joint governance model provides:

- Gains in Efficiency arising from joint governance will enable the three organisations to deliver and sustain their services at a lower Economic cost than is currently the case;
- Effectiveness and Resilience in ensuring Public Safety by all three organisations can be most readily enhanced across these three rural counties through shared governance and maximizing joint working and collaboration;
- Maintenance and promotion of established brand identities within the context of a FRS alliance;
- Greater synergies delivered through simpler, aligned decision making;
- Gains in Efficiency of processes and structures across the three organisations can be realized through a substantial increase in both the volume and nature of collaborative working, particularly in the areas of Prevention, Public Safety and Community Resilience. This can be further supported by consolidation of back office and enabling services provision. In each case a strong focus on enhancing value for money and rapid delivery of benefits will be important;
- Greater and accelerated collaboration;
- Geographically distributed, integrated and tailored shared services;

- New technology will offer potential for extending collaboration and many of the initiatives already in course of delivery will create potential for Police and Fire to function more flexibly and cohesively;
- Initial financial implications are potential savings in a full year of £4m. Implementation costs will be driven by the delivery strategy adopted by the PCC and the Chief Officers;
- Actions and decisions of the PFCC would be subject to public scrutiny by the local authorities' combined Police and Crime Panel.

It is important to note that any savings could be from across all three organisations. They would contribute to current savings requirements.

- 1.5: It is important to state that there is no criticism offered of the performance of the existing governance or organisations in their current form. We have not become aware of deficiencies in any dimension of their performance which would cause us to consider that there is a failure or risk of failure to overcome. The argument presented is rather that there is an opportunity for more to be achieved on the same resource base by working together under joint governance and a co-developed plan than by working separately.
- 1.6: An initial view of an implementation plan proposes that the organisations accelerate their rate of collaboration in the period leading up to a change in governance (subject to parliamentary approval) which would occur in April 2018. During this period critical projects currently in course (some of them joint) will be completed and working properly.

Thereafter, as governance changes take effect and deliver modest immediate savings, the PCCWM can work with WMP, HWFRS and SFRS to prepare a full implementation plan for delivery over the subsequent years which will need co-development with a transformation plan already in development by WMPCC, each influencing the content of the other.

**2: Acknowledgements**

We formally acknowledge the helpfulness and willingness of the political leaders of all three services, their Chief Officers, Deputies and other Officers and officials in preparing this work. Help and information were provided without hesitation or query enabling us to work rapidly and efficiently. Our thinking has been challenged and tested by these individuals and they contributed substantially to an open, transparent process.

We thank the staff of the PCCWM for their support and assistance throughout the process.

All parties have been friendly, open, supportive, prompt and efficient.

**3: Preferred Option (Brief)**

- 3.1: We consider that there is a business case to be made for the joint governance of West Mercia Police, Hereford and Worcester Fire and Rescue Service and Shropshire Fire and Rescue Service.
- 3.2: To deliver the option will require:
- Change of the PCC to PFCC for West Mercia;
  - PCC becomes the Fire Authorities for HWFRS and SFRS;
  - Maintenance of the Fire and Rescue Services as separate entities each under their own Chief Officer;
  - Extension of the staffing and functions of the PCCWM to incorporate the statutory, reporting and administrative obligations and functions of the existing Fire Authorities;
  - Adoption of an alliance command and leadership structure;
  - Development of a shared/integrated Policing, Crime, Fire and Rescue Plan;
  - Development of joint Police and Fire services for prevention and public safety activity;
  - Exploitation of investment in information and related systems and technologies;
  - Acceleration of collaborative working;
  - Finalisation and realisation of the indicative costs and benefits identified herein.
- 3.3: We consider that this option has the potential to increase public safety through collaboration and efficient resource utilisation. It will thereby enhance community resilience while limiting the risk of organisational cultural barriers and resistance. We believe that joint governance can increase effectiveness by removing potential barriers to much higher levels of collaboration and reducing risk of resistance from some quarters. It offers the greatest potential for significant efficiency gains while the cost of implementation is expected to be low compared to the single employer model.

#### **4: Research and Engagement Process**

- 4.1: It was clear from the outset that if any change were to arise from the exploration of this business case then shared development of that change and engagement and collaboration by all parties throughout the process would best support its implementation.

We therefore undertook two processes in parallel:

- Collection and collation of organisational data concerned with structures, establishments, budgets, financial plans, information systems, core contracts and both ongoing and planned projects and changes;
  - Semi-structured interviews with the PCC, the Chairs of the Fire Authorities, Chief Constable and Chief Fire Officers, their Deputies and Assistants and nominated officials. These particularly included understanding the process and impact of ongoing projects and the process and impact of existing collaboration activity (so that in neither case would financial benefits be double counted).
- 4.2: The purpose of these interviews was to provide maximum opportunity for the individuals concerned to express their views, ideas and concerns about the question under consideration. It served to allow them to be fully involved in the discussion about possible options, the rationale for those options and to raise any issues of particular concern.
- 4.3: Once completed, the outcome of this process was brought together with our interpretation of the strategic intentions of the three organisations, the organisational structures and financial data. The whole was then assessed by us against the three principal options.
- 4.4: Our initial findings were informally explored with the PCC and subsequently presented to a meeting of the leaders (political, officers and officials) of all three organisations. Essentially well received the leaders expressed concern that the business case should rest more heavily on the issue of sustainability, organisational resilience and the potential to improve the community outcomes of the three services and less on the potential for financial savings. It was considered that such savings could be achieved while there was debate about both timing and quantity.
- 4.5: A further round of discussions and interviews was undertaken as was a second 'all organisations' meeting to discuss the draft business case prior to its formal submission to the PCCWM.

## **5: Options Considered**

### **5.1: Options**

Consistent with the research proposal and with APACE<sup>1</sup> guidance provided we considered three options:

- Sustain Current Trajectory;
- Single Employer Model;
- Joint Governance.

5.1.1: These were all judged against the assessment requirements in relation to Effectiveness, Public Safety and Community Resilience, Efficiency and Economy and our considerations included political and cultural factors as well as the ease of implementation. We also considered the 'Treasury 5 case' analysis in reaching our recommendation.

5.1.2: It is important to reiterate that there is no criticism offered of the performance of the existing governance or organisations in their current form. We have not become aware of deficiencies in any dimension of their performance which would cause us to consider that there is a failure or risk of failure to overcome. The argument presented is rather that there is an opportunity for more to be achieved on the same resource base by working together under joint governance and a co-developed plan than by working separately.

### **5.2: Sustain Current Trajectory**

5.2.1: Sustaining the current trajectory means proposing no change in the governance arrangements of the respective services. The three organisations would continue to pursue existing collaborative projects and to develop further such projects and activities in a manner consistent with their individual plans and strategies.

5.2.2: This is not a 'do nothing' strategy as while the three organisations would persist with their existing separate governance and command structures, there is collaborative and joint working in place or being established which will change the way they are. There is strong aspiration in respect of collaboration but we did not, from the information presented, identify specific, measurable financial or other benefits to be achieved nor expected delivery dates with the exception of the shared OCC at Hindlip. It is possible that these are reflected in project plans and budgets for individual areas.

5.2.3: Sustaining the current trajectory would not prevent enhancements to Public Safety and Community Resilience it would not necessarily enhance service outcomes beyond current plans and expectations. From an Effectiveness perspective it would neither enhance nor enable further and deeper collaboration and it would equally not stimulate either process Efficiency improvement or Economic gains.

5.2.4: The option would offer a number of apparent short term advantages. It would cause no disruption and incur no implementation costs nor would it be anticipated to have any employee relations impact. Plans currently on course to deliver savings would not be disrupted. Politically it would no doubt be viewed differently by different observers. The brands of the three organisations are well known and respected in their communities and these would be sustained under this option. Because the organisations do not need to integrate to collaborate, this option would avoid the, potentially disruptive, need to align differing organisational cultures, behaviours and disciplinary and employment structures. The approach would not inhibit interchangeability or sharing of appropriate resources but neither would it encourage or facilitate it.

5.2.5: A number of disadvantages would also arise. First of these is that the directness of accountability to the public would not be enhanced as it would be with a Police and Fire Crime Commissioner. Current collaboration, which is acknowledged by the organisations to be slow and limited in progress, would not be stimulated and it is thought unlikely that existing or envisaged services would be enhanced. There are a number of areas where potential collaboration opportunities are not currently being realised. These include each benefitting from the insight and expertise of the other in relation to service delivery around:

- Search;
- Rescue;
- Missing persons;
- Road traffic incidents;
- Prevention activity;
- Supporting the most vulnerable;
- Youth engagement;
- Community resilience.

5.2.6: Shared enabling and support services may realise significant performance and delivery cost gains. It is important that in working together the statutory responsibilities of each and particular expertise are brought together through a fully joined up understanding.

5.2.7: The success of the Fire and Rescue Services over many years in reducing incidents through the public safety and prevention campaigns means that the cost of sustaining the services and maintaining their effectiveness becomes harder to justify the scale of the organisation. There is a threat to their effectiveness, sustainability and resilience if opportunities for efficiency and economic gains are not actively pursued. Similarly, doing nothing would inhibit the realisation of potential from the collective investment in information and communications technologies. It will be essential to ensure first that the systems provided to Police and Fire are fit for the specialist purposes for which they are needed and second that they deliver increased value for money.

5.2.8: Although not a critical factor, it is worthy of note at this point that West Mercia Police already has an alliance with Warwickshire Police and it may be that



advantage can be gained through that for all parties. The existing alliance with Warwickshire Police will hamper neither this project nor the creation of shared services that would in the future support West Mercia Police and Fire Services. However, it is important to remember that the geographical and political boundaries around these services are not common with those of the fire and rescue services.

5.2.9: We cannot recommend this option.

### **5.3: Single Employer Model**

5.3.1: Under the single employer model (SEM) the WMPCC would take over the governance of the Fire Authorities and, subsequently, West Mercia Police, HWFRS and SFRS would be merged into a single organisation. This would have a unified command structure with Police and Fire being divisions within that single organisation. A single Chief Officer, drawn from either a Police or Fire background would be appointed to lead the organisation.

5.3.2: The SEM would offer potential benefit to Public Safety and Effectiveness by enabling further collaboration and possibly better resource utilisation which could help to ensure the sustainability of police and fire services. It would remove institutional and legal barriers to maximising collaborative working and offer greatest potential for process efficiency and economic gains.

5.3.3: However, it is possible that staff and their representative bodies from all three organisations could be resistant to such a change and, as such, would be likely to delay and limit the realisation of, the benefits of such a change and might impart risk to public safety and service effectiveness. Effectiveness could be further inhibited through the need to overcome existing cultures and behaviours and build a single culture in a new organisation. The effort required to overcome such resistance to change might easily outweigh the advantages sought. We would anticipate that the overall economic cost of implementing this approach, both direct and visible and indirect and invisible would be greater than for the other two options.

5.3.4: The SEM would offer some potential advantages. The clear command and control structure would be simple and easy to understand (for employees and public alike), would be constitutionally very simple and would offer clear political and leadership accountability. The approach would potentially offer the greatest and fastest headline economic gains and maximisation of benefits. Seen by some as an 'inevitable destination' through flexibility in use of resources it would contribute to the resilience and sustainability of the services.

5.3.5: The disadvantages of the SEM approach seem to us to outweigh the advantages. The newly combined organisation would need to invest first of all in establishing a shared identity for both public and employees. It would require investment of substantial resources in establishing equality of work and pay, pensions and other employment benefits, and thereby impart risk to current

financial and business models. It would need to support this with full alignment of the financial models, equalisation of the precepts and balancing of liabilities. There would be a number of difficulties in the implementation process including cultural, behavioural and employee relations concerns, and potentially some lost work. These issues would certainly lead to negative impact on effectiveness in the short to medium term and inhibit the development of a new, single, shared identity for the organisation.

- 5.3.6: Compounding these aspects there are a number of other issues with which the SEM would have to contend including enforced ICT integration at pace. Failure of the business critical systems underpinning service delivery would risk unacceptable outcomes for public safety. Such failure potential becomes increased when systems are merged, renewed, updated or refreshed.
- 5.3.7: The WMP are currently delivering a number of significant projects (with Warwickshire Police) and have a transformation programme emerging. In parallel the HWFRS Control Room is co-locating in 2018 to share physical space with the WMP Control Room. This will be a useful test for both organisations.
- 5.3.8: There would be concern about the loss of the two FRS brands which are both respected and valued, and in particular that concern would be about the loss of local identity in the merged organisations. Similarly WMP have a well-established brand and a clear public understanding of their role. For all organisations this understanding might be threatened by full merger. This would at least appear to contradict the attempt to increase direct local accountability.
- 5.3.9: We cannot recommend this option.

#### **5.4: Joint Governance**

- 5.4.1: Joint governance would mean, as a minimum, that the PCCWM becomes the PFCCWM and the role of the existing Fire Authorities would cease. The PFCCWM would provide political leadership to all three services as well as fulfilling the role of employer for Fire and Rescue Services across Herefordshire, Worcestershire, Shropshire and Telford and Wrekin. The existing alliance with Warwickshire Police need not be affected by this change. There can be little doubt that establishing a new mechanism of governance across the three services will present challenges of organisation and compliance, though these will be less demanding than would be the case for a single employer approach.
- 5.4.2: Under this political leadership, all existing duties, responsibilities and obligations of the existing Fire Authorities would be absorbed into the PCCWM. The identities of the existing three delivery organisations would be sustained but would be brought together in an 'alliance' command structure with a Chief Constable and two Chief Fire Officers. Given the existing police alliance with

Warwickshire it may be that some further elaboration of the structures and more extensive collaboration would be achieved

- 5.4.3: We would suggest that operational efficiency would be enhanced by bringing delivery of all three West Mercia services together through the Control Room at Hindlip whilst resilience would be maintained by ensuring that there are adequate control facilities in each part of the WMPCC area as well as those in Warwickshire
- 5.4.4: While the PFCC would be responsible for developing an appropriate Police and Crime Plan and a Fire and Rescue Plan, we would suggest that the overall activities can be thought of in four major blocks: Policing; Fire and Rescue; Public Safety and Prevention; and Enabling Services. Community Resilience is integral to each of these four blocks. The first three of these would accelerate and increase joint working and collaboration, particularly around the Public Safety and Prevention thread through which much benefit might be derived. Enabling Services covers all those back office and support services essential to the operation of the other three. Joint working should produce gains in both effectiveness and efficiency with some economic benefit but perhaps that will be absorbed in sustaining resilience. Enabling services on the other hand should produce efficiency, effectiveness and economic gains through better use of shared systems, common approaches and joint procurement where that is appropriate.
- 5.4.5: We believe that this approach offers the potential to deliver gains in Public Safety and Effectiveness comparable with those of the SEM whilst reducing the risks of resistance and disruption that might arise from that approach. Joint command removes many of the organisational barriers to increasing collaboration while, again, minimising the risk of resistance. It offers as much potential for gains in effectiveness, efficiency and economy while having a lower cost of implementation and a lower risk profile than the single employer model.
- 5.4.6: The advantages of this option include supporting the sustainability and resilience of all services across West Mercia through fuller, faster collaboration and joint working together with additional interchangeability and sharing of some resources. These should translate to further and faster development of better services to the public. There will be fewer barriers to progress than with the SEM and the common command structure will enable a 'best fit' principle to be applied to the major strands of activity, allowing the deployment of the most appropriate or the nearest resource depending on the particular circumstances. While it might be argued that similar benefits are possible under either the existing arrangements or joint governance, the history and experience of such arrangements both within West Mercia and more broadly, shows that these are unlikely to be realised.
- 5.4.7: Sustaining the three separate organisations will cause a little extra work at PFCCWM level but that will be compensated for by maintaining the local connection with the level of spending and precept and thus the local accountability of services. Whilst the two FRAs have provided solid foundations

from which to build, expanding the work of the PCC to include Fire and Rescue will improve public visibility, accessibility and accountability of Fire and Rescue governance.

- 5.4.8: This option will also enable the greatest benefit to be derived from the adoption of ICT developments especially around prediction, planning and flexible working with the organisations able to blend specialist knowledge, systems and equipment where necessary with generic knowledge, systems and equipment where that is most appropriate.
- 5.4.9: The disadvantage will initially be the absence of a 'single command' at Chief Officer level and it may be that the economic gains are slightly less than they might otherwise be. Whilst over time a single Chief Fire Officer and command team for an alliance of two fire and rescue services may be desirable, additional strategic capability will be needed through the early period. We believe that the principal driver in this large, very rural area needs to be on sustaining the resilience and effectiveness of the services. The alliance working will need to develop a clear financial model so that costs and benefits are shared appropriately. The cost of doing that should be outweighed by the benefits.
- 5.4.10: The development of a shared enabling services function must be handled carefully. It must be recognised from the outset that the Chief Officers, working with the PFCC must take responsibility for creating an enabling services function that meets all of their needs. Explicitly that means it needs to be the most effective in providing support not simply the cheapest.
- 5.4.11: We recommend this option.

## 6: Joint Governance: 5 Case Analysis

### 6.1: Background

6.1.1: West Mercia Police is governed by the Police and Crime Commissioner for West Mercia supported by a Deputy and a Chief Executive, Treasurer and other governance functions. West Mercia Police is led by a Chief Constable and Deputy and delivers its services through an alliance with Warwickshire Police which has a matching senior command structure. The senior alliance officers are Assistant Chief Constables, the officials are Directors. It should be noted that provision of fire and rescue services in Warwickshire is not a consideration of this business case. The alliance is included because of its implications for the change under consideration.

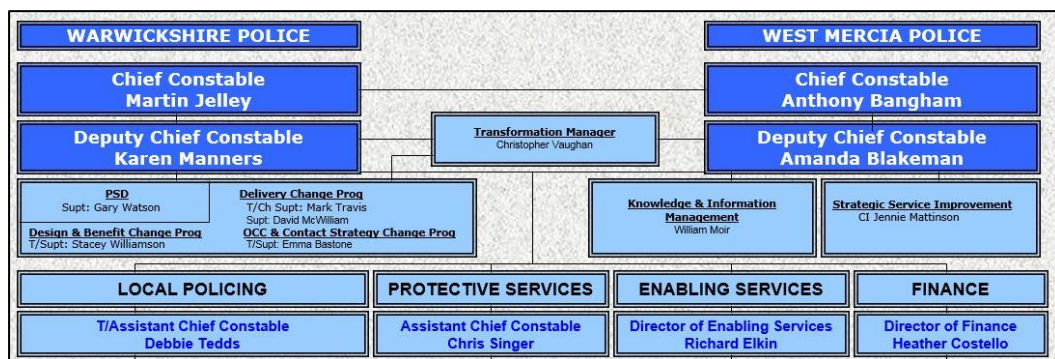


Figure 1

6.1.2: The police alliance extends to both Local and Protective Services policing which may have practical implications for collaboration between Police and Fire & Rescue Services in Herefordshire, Worcestershire in particular (having a shared boundary with Warwickshire Police) though less so for Shropshire.

The existence of the Police Alliance creates no substantive issue that we have identified

6.1.3: Of direct relevance to the change under consideration are three elements of the alliance structure. Warwickshire Police and West Mercia Police share a single Director of Finance and common Finance function and a single Director of Enabling Services (Procurement, Training, HR, ICT) and common support functions. This means that some of the benefits of shared services may have already been realised. In the event of a change in governance there will be a need to adapt those shared services to accommodate new approaches, behaviours and processes that might arise. There is also an alliance role of 'Transformation Manager' with responsibility for design and delivery of future policing. The existence of established integrated support functions may make the absorption of additional processing more straightforward (though it is recognised that there may be significant variation in some aspects). Similarly, it may be that the style of delivery and performance standards may need to be



reviewed. Along with WMP and Warwickshire Police, HWFRS outsources most of their property management functions to a contractor, PPL, in which it also plays a role in ownership and governance. WMP also outsources payroll operations.

- 6.1.4: The alliance has a number of significant projects in course and care will need to be taken not to disrupt them from, on time, to standard, delivery in this process of potential governance change. These projects include major ICT upgrades and a new control room in particular (shared with HWFRS).
- 6.1.5: West Mercia Police has an establishment of 2086 police officers, 2381 police staff and 403 specials. In the year to January 2017 WMP attended 142824 incidents of all types of which 81772 (57%) were related to Public Safety and Transport matters rather than reported crime. WMP Budget (2016/17) was £207.5m net with a savings target across the alliance for 2017/18 of £5m and a further £11m in 2018/19.
- 6.1.6: Hereford and Worcester Fire and Rescue Service is governed by Hereford and Worcester Fire Authority. The Authority is made up of 25 Councillors (6 from Herefordshire, 19 from Worcestershire) who conduct the political governance functions and are supported by 2 support staff plus legal services, monitoring and treasury. The Fire and Rescue Service retains its own finance, HR and other support functions. HWFRS is headed by a Chief Fire Officer supported by a Deputy CFO responsible for Service Support, Assistant CFO responsible for Service Delivery and a Director of Finance who is also Treasurer to the Fire Authority. There is an independent head of Legal Services who acts as Clerk and Monitoring Officer. With WMP it outsources most aspects of its property management to a contractor, Place Partnership Ltd (PPL), in which it also plays a role in ownership and governance.

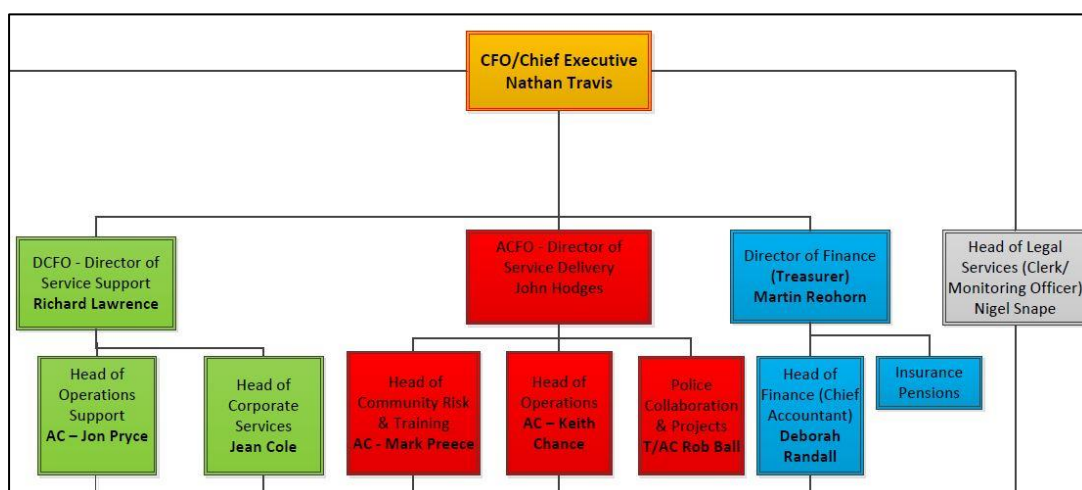


Figure 2

- 6.1.7: Around 80%<sup>2</sup> of the established, 757 person, HWFRS workforce are firefighters and of these 387 are retained firefighters, reflecting the rural nature of the location. HWFRS has 27 Fire Stations of which 8 have whole time crews available serving a population of around 750000. In 2015/16 HWFRS attended 6459 incidents (in relation to 9346 emergency calls) reflecting a 'continuing downward trend'<sup>3</sup> Of calls attended, 1920 were in relation to Fire, 3050 were false alarms for various reasons, 1489 were for special services including 648 road traffic collisions. HWFRS aims for a response time to life threatening incidents of 10 minutes.
- 6.1.8: HWFRS is undertaking a number of change and transformation projects. In addition to the development of the joint control room with WMP it is, like all emergency service organisations, working on the Emergency Services Network and Public Services Network projects, it has also transferred operation of its payroll to Warwickshire County Council. It has also commenced working on collaborative projects with Warwickshire Fire and Rescue Service and on a 'blue light hub' in Wyre District. A project to renew Evesham Fire Station is now completed and work continues on a similar project in Hereford.
- 6.1.9: HWFRS has a budget of around £32m (2016/17) and is aware that it needs to generate further savings of £1.6m by 2019/20
- 6.1.10: Shropshire Fire and Rescue Service is governed by Shropshire and Wrekin Fire Authority. The Authority is made up of 17 Councillors who conduct the political governance functions and are supported by a treasurer and part time support staff with most functions outsourced to the Local Authority. The Fire and Rescue Service retains its own finance, ICT, HR and other support functions. SRS is headed by a Chief Fire Officer supported by a Deputy CFO responsible for Service Delivery and Training, Assistant CFO responsible for Corporate Service (HR, ICT, Planning and Performance), Head of Finance and Head of Resources.

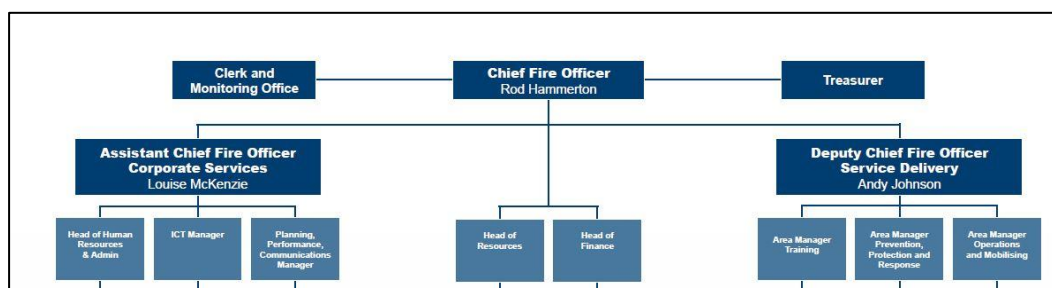


Figure 3

- 6.1.11: SFRS has an establishment of 640 of whom 79%<sup>4</sup> are firefighters (177 whole time and 332 retained). This proportion again reflects the very rural nature and widely distributed population of Shropshire. SFRS has 23 Fire Stations of which 3 are permanently staffed and serving a population of 473000 in England's

largest county. While SFRS<sup>5</sup> has a clear focus on prevention it attended 3956 incidents in 2015/16. Of these, 1234 were in relation to Fire, 1688 were false alarms for various reasons, 1034 were for various special services including 267 road traffic collisions. SFRS aims for a response time to life threatening incidents of 15 minutes.

- 6.1.12: SFRS has delivered service efficiency gains and reviewed its Telford site to improve its utility for SFRS and local resilience. A number of other operational improvements have been delivered in relation to people and systems in particular.
- 6.1.13: SFRS had a budget of £21.7m in the 2016/17 year and knows that continuing work will be required to deliver and maintain resilient services against future financial constraints.

## **6.2: Strategic**

There are three major strategic opportunities that can be addressed through the proposed joint governance arrangement.

- 6.2.1: The first is that the organisations can accelerate collaborative working in the delivery of front-line services, in particular of the Public Safety and Prevention activities and tie these down to both process outcomes and financial objectives. The counties of Herefordshire, Worcestershire and Shropshire are large with significant rural areas and low population density. Travel across the area can be slow with limited motorways and dual carriageways and effective provision of services will always demand locally based capability. As pressure continues on the cost of service provision in the future collaborative working between services will be the most cost-effective way to sustain service resilience and effectiveness.
- 6.2.2: As all three organisations continue to deliver the same levels of service on lower budgets there will come a point where the existing business and service delivery models have been refined and reduced to their limits. At that point the services will need to consider reductions in service and/or variation in service response times. Joint working and collaboration will encourage the redesign of services and challenge the organisations to develop transformative ways of working to deliver the same services on a lower cost base and obviate the need for service reductions.
- 6.2.3: As well as front line services enabling services can similarly be transformed. Currently, WMP has its enabling services largely shared with Warwickshire Police with property management outsourced to PPL. SFRS buys in a variety of services from the local authority in Shropshire while retaining some of its own capability. HWFRS buys in some services from Warwickshire County Council and PPL while again retaining some internal capability. The proposed change to joint governance of the three organisations generates the opportunity for a rapid and rigorous reappraisal and redesign of the provision of all enabling



services embracing organisation, structures, processes, information and behaviours. These should be redesigned around the needs of the three organisations taking account not just of short term efficiency and economic gains but, particularly, the most effective ways in which such services can and should be delivered to three highly distributed organisations operating multiple shift systems throughout the week. Procurement and scale efficiencies can result. There is an opportunity to offer services which are locally distributed while retaining the benefits of centralised provision of the information, systems and technologies which underpin their delivery. Police Officers and Fire Fighters are on duty 24 hours per day, 7 days per week, enabling services can be provided in a manner that supports this demand with additional flexibility and efficiency.

6.2.4: It will be important to remember in undertaking such work that it will undoubtedly be possible to deliver economies through greater working at scale, consistency and homogenisation of certain aspects of, for example, training and equipment. It will be equally important to recognise and support those areas where specialist technical expertise or dedicated and specialised equipment is essential to the provision of an effective service. It will be one of the tasks of the Chief Officers to ensure that these are recognised and sustained.

6.2.5: The third major strategic opportunity rests in the potential to exploit investment in an information-enabled future. Substantial investment is already being made by WMP, Warwickshire Police and HWFRS in the new Hindlip control room together with a range of supporting investments in new infrastructure, hardware and software. While SFRS<sup>6</sup> has and is making investment in ICT, the opportunity exists for it to join with the joint control room facility and for all services to align around the most appropriate software and technologies. This will be consistent with the development of the Emergency Services Network (ESN) and Public Services Network (PSN) infrastructures. New Information and Communication Technology (ICT) allows for new ways of working both in operations and in supporting and enabling services. Examples, in which both the statutory responsibilities and management of delivery will also need to be aligned, include:

- prediction of service demand;
- utilisation of 'big data';
- more flexible despatch and control;
- utilization of drones and other robotics;
- deployment of staff on areas of new demand such as dementia care, missing persons preventative services and support for the most vulnerable.

6.2.6: The public value benefits of both efficiency and effectiveness will increasingly require that ICT is understood to provide a common public safety platform. Shared costs can be reduced and collaboration can be further enhanced. Public value, over time, will inevitably require, indeed rely on, the effective sharing of

data across organisational boundaries and that need on its own is sufficient to necessitate new governance arrangements.

- 6.2.7: Joint governance and the data sharing enabled by changing ICT provision will also enable the identification of points of acute public need and the use of shared resources to respond to them. This will ensure the delivery of benefits of collaboration particularly in rural areas where delivery resources are sparse.
- 6.2.8: All that said, the focus of ongoing investment in ICT needs to be focused very clearly on the 'I' rather than on the C and T. The systems exist to deliver information to those who need it to support the decisions they are charged with taking and for which they will be accountable, there is an obligation to ensure that they are fully informed. The starting point for consideration in this area is to ask 'what do we need to know to make the decisions we need to make?' The role of the C&T is to provide that information. Information-focused processes need to be designed which deliver that information, are enabled by the technology and support devolved decision making to largely, distant officers operating with high autonomy.
- 6.2.9: All that which has been said above is consistent with the existing direction of travel both of the organisations under consideration but also across the public sector as a whole. At present collaboration is inhibited, in particular, by the multiple governance bodies (albeit unintentionally) and by the organisational barriers those arrangements render necessary. The proposed changes will support and enable significant acceleration in the substance and rate of transformation in the direction currently considered by Chief Officers and the design and delivery of a more coherent, integrated public service over a shortened timescale.

### 6.3: Economic

There are three principal areas in which public value can be directly improved through the proposed change.

- 6.3.1: The first and most readily available is through **reduced governance costs**. The combined direct governance costs of the SFRS and HWFRS Fire Authorities amount to around £577k in the 2016/17 financial year. It is estimated that these costs can be reduced by not less than £250k per annum from April 2018 through elimination of the existing member costs, around £136k and redesign or integration of the processes and structures of supporting services with those already borne by the PCCWM where a further benefit of at least £110k is anticipated. There will be some transitional costs to bear for the whole programme which will depend on the implementation strategy adopted.
- 6.3.2: It is proposed that the PCCWM would invite a small number of representatives from across the counties to offer and assist in sustaining local understanding after the change.

- 6.3.3: The second, and potentially most significant area of economic gain is in the **provision of enabling services** to the constituent organisations. We consider that through consolidation of activity, process redesign and the elimination of non-value adding activity a gain in the order of 25% of current combined costs is achievable. The benefits case for the change will need to take account of any committed cost reductions deliverable before the proposed governance change in April 2018 to avoid double counting benefits.
- 6.3.4: Across the four organisations affected here (including Warwickshire Police through the alliance), some 628 employees, 11% of the combined total, are employed in these areas which cover Chief Officers and their Deputies, Transformation, Alliance Working, Business Support and Estates, HR, Training, Transport, ICT, Strategic and Operational Planning, Legal, and Internal Audit. 482 of these are employed in existing West Mercia and Warwickshire Police Alliance related roles. There may be an impact on some of these roles from the proposed change in governance which will need to be recognised in alliance arrangements. Adopting lean and other quality management approaches, through consolidation of structures, integration, transformational process redesign and more effective use of information, this can be reduced by around 25% to about 474 (8.5% of the combined total) over three years. The estimated reduction in annual cost is estimated at a potential £4m across the three organisations on completion. There is no impact on front line staffing from this element.
- 6.3.5: The cost of designing and implementation should be largely absorbable within the current cost base of the organisation (by redeploying existing staff) although it is likely that some facilitative external consultancy support will be appropriate. The PFCC will need to determine the pace of delivery of the change through natural wastage, non-replacement of leavers and, if necessary, redundancy and that will to a large extent determine the cost of reducing the headcount. The style and pace of transition plans will have a significant impact on any transition costs arising.
- 6.3.6: The third area in which economic gain can be made is in enhanced **collaboration and optimisation** at front line especially around Public Safety, Preventative activities and Community Resilience. We have not attempted to quantify the potential at this stage. Existing collaboration plans (beyond the shared control room at Hindlip) embrace a range of matters such as PCSOs cross-trained as firefighters (23 across the two FRSs), joint fire investigations, incident planning and training, some procurement, PPL (property management), sharing of buildings and co-location. The financial benefits of these are reported to be captured in local budgets. Future plans include joint Harm Hubs and Community Risk Teams, co-locations of commanders, shared training facilities, relocation of HWFRS to WMP HQ and some aspects of driver training, vehicle repair.
- 6.3.7: We believe that there is much scope to extend collaboration, particularly in relation to Public Safety (where FRSs have been particularly successful) and

Preventative activities and Community Resilience. Through that we would expect to see potential realised for elimination of duplication of action, for increased efficiency in the use of all forms of resources and gains in achievements of desired outcomes. To achieve this will require retention of substantial management and leadership capability at senior levels in all organisations. That leadership will need to identify and quantify barriers to collaboration and work out means by which they can be overcome

#### **6.4: Commercial**

The commercial case for this approach is closely tied in to three other cases, the strategic, economic and financial but two additional elements stand out from those.

- 6.4.1: The first element is that the strong brand identities of the constituent organisations will be retained. This will help to ensure that public recognition and appreciation is sustained, will maintain the local, distributed control that serves so well in these rural counties while delivering the shared support and enabling systems that deliver business efficiency in processes and financial management.
- 6.4.2: The second element is that direct political accountability is achieved while the local input is sustained through the adoption of advisory support to the PCC to ensure understanding of those things which matter to individuals and local communities.

#### **6.5: Financial**

- 6.5.1: The financial case needs to acknowledge the good work that has already been done and is in course of delivery by all three constituent organisations. While major projects are in course of delivery, WMP is working on its future transformation plan. HWFRS has identified the need to save a further £1.6m pa by 2019/20 and SFRS knows that similar proportionate savings must be achieved. All are rightly concerned to protect and preserve their front line services in Policing, Fire, Prevention and Public Safety. One of the means through which that might be achieved is by bringing together the governance as proposed herein and exploiting that for the business efficiencies and savings that might be generated.
- 6.5.2: This will not be an easy, trivial or comfortable task. Much work has already been undertaken and process efficiencies and economic savings delivered. The next stage will require courage and insight to draw on the latent capability of information systems to reduce costs through smarter working, eliminate non-value adding activity, reduce process cycle times, improve response times, reduce duplication and delay and promote greater autonomy in the administrative functions. Part of this may be achieved through extensions to 'self-service' capabilities in enabling services, part through more radical approaches.

6.5.3: Work so far has largely delivered improvement to existing systems, processes, procedures. Taking the next steps will require considering whether some processes are needed at all, whether greater decision discretion can be allowed to individuals within the organisational system, whether some systems, processes, activities and ways of working have run their course and can simply be stopped. This will require courageous, strong leadership at all levels.

6.5.4: We believe that the benefits profile (based on the outline implementation plan in section 6.6) is as follows:

	2017/18	2018/19	2019/20	2020/2021
Governance	£0	£0.25k +	£0.25k +	£0.25k +
Organisational	£0	£0.5m	£2.0m	£4.0m
Cumulative	£0	£0.75m	£3.5m	£7.75m

The benefits stated and costs recognised are focused only on revenue matters. There are some capital programmes in course of delivery or in planning which are included in collaborative working, or are outside the scope of this work. Once a determination on the governance question has been made it is recommended that the WMPCC revisits the capital programme and identifies additional areas of potential gain.

## 6.6: Management

6.6.1: Delivery of the proposed plan will depend upon the hard work, determination and ambition of the Political leadership and Chief Officers of the three organisations. All have already demonstrated significant capability in this regard and it would be short-sighted when setting out on this task to reduce that capability at all. The task of delivering the change will be demanding and will rely on the engagement of the established leaders with their loyal workforces. Pursuit of this proposal will provide unity of energy and direction which will simplify the roles of the Chief Officers in meeting the expectations and demands of political leadership.

6.6.2: Although it may seem a luxury, our plan considers that each force should retain its own Chief Officer who will lead the change in the organisation and engage positively with the leaders of the other two. The proposed initial structure is set out in figure 4.

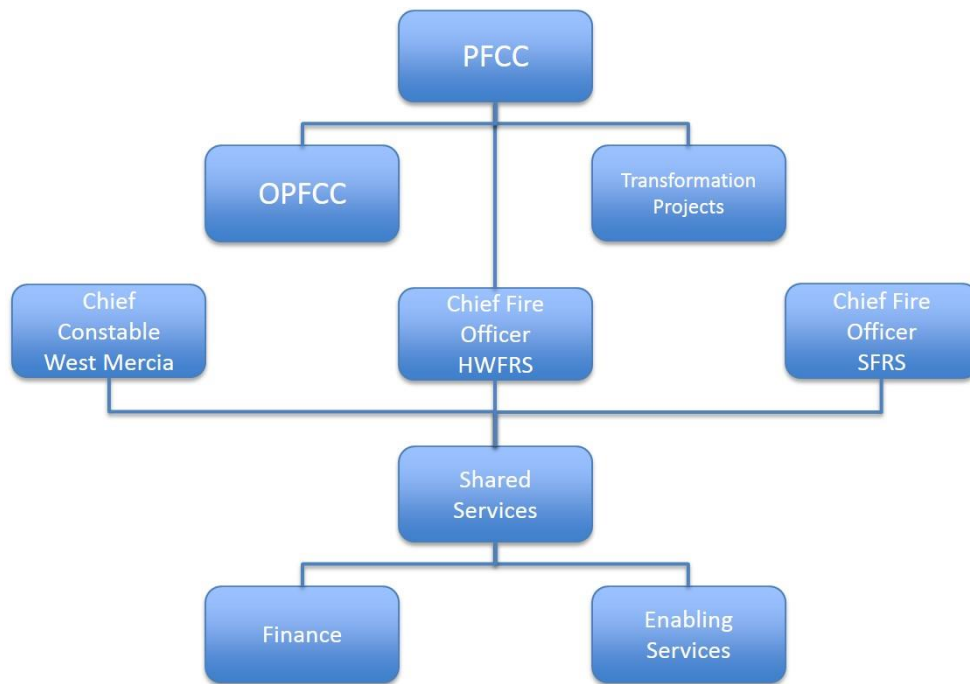


Figure 4

6.6.3: There will be key challenges for these leaders to deliver in the current year, particularly the shared control room at Hindlip and retaining leadership capacity will assist in not destabilising those challenges. For the future, the leaders will need to understand that transformation of their services is not an add-on to the daily duty, it is the daily duty. What they will be charged with delivering will be a different future and doing so will require them to exercise fully their skills in leadership, not managership or commandship. While there is no doubt that something would be achieved by giving instructions we believe that much more will be achieved by fully engaging every employee within the three services in the design and delivery of the change. They will need to build a share transformation team, to work out how that co-exists with the existing alliance activity and the collaboration and then work together to deliver a new way of working across process, people, information and technology.

## 6.7: Implementation

6.7.1: In the year to April 2018 the focus will remain on accelerating compliance with the statutory obligation to collaboration between the services and the development of alliances which do not rely on assumptions about any possible change in governance for their achievement.

6.7.2: In the period before April 2018 the three services can focus on the acceleration of existing collaborative activities and coupling them to achievement of performance and financial targets. None of that is affected by governance discussions.

- 6.7.3: WMP and HWFRS will be completing delivery of the major projects currently in course and, again, the governance conversation must not be allowed to distract the attention of the relevant people.
- 6.7.4 In the period before April 2018 the three services could focus on acceleration of Police and Fire Collaboration. If the proposed governance change is confirmed then from April 2018 what would be the PFCC would replace the two FRAs, establish the advisory panel and bring into being formal strategic command of the three services. The PFCC with the Chief Officers could then consider the most appropriate means of providing joint command and control across West Mercia and develop integrated plans for transformation, for integrated enabling services and commence delivering those plans.
- 6.7.5: Thereafter, from April 2019, the PFCC would be expected to review the senior command and leadership teams, to begin to release any redundant posts and deliver the transformation plan.



## 7: Collaboration

- 7.1: Sustainable success in the proposed joint governance model will be realised through maximising effective collaboration across the three organisations to ensure a resilient, cost effective approach to public safety and prevention. This will also support the development and delivery of an integrated prevention agenda.

There is collaboration already in course between the three services which extends to:

- Prevention and protection;
  - Cross-trained PCSOs, FRS Search and Rescue Dogs;
  - Joint fire investigations and incident planning;
  - Joint command and control (SFRS/HWFRS);
  - Joint operational and management training;
  - PPL (premises management);
  - Some elements of procurement;
  - Some sharing of buildings.
- 7.2: Planned extensions to these existing collaborations include shared Harm Hub/Community Risk Teams, physical co-location of command teams, some shared training facilities and courses, some aspects of operational logistics around vehicle maintenance and driver training and the Public Services Network.
- 7.3: Documentation reviewed in relation to these aspects showed strong aspiration but was less clear on potential public service benefits, economic benefits and realisation dates. Some of these are believed to be in budgets and project plans, however this mainly highlights the potential for a sharper focus on this area and for the delivery of quantified benefits on all matters.
- 7.4: Meetings with Officers for all services and in the collective discussions provided the opportunity for consideration of additional areas for collaboration, the barriers that might exist and how they might be overcome. It was considered that a move to joint governance would enable joint strategic planning and enhance operational collaboration. Developing a shared enabling services model was also considered possible allowing efficiency gains while removing barriers. It was recognised that this would need to respect both the geography of the West Mercia area and be tailored to meet the needs of the services.
- 7.5: A number of operational areas were also identified as having potential. These included reconsidering how to more frequently deploy RDS resources in appropriate circumstances. This might include working together more closely on youth engagement, mental health issues, and meeting the needs of vulnerable people, all of which could be supported by an ethos in the control room of 'doing the right thing' to meet the need, especially in rural settings.
- 7.6: To achieve these ambitions will require connected thinking and action with a mutual understanding of the mechanisms for identifying and allocating all types



of resources. Of particular importance will be the sharing of information which will be particularly enabled through control room protocols.

**References:**

1: APACE Police and Fire Guidance Notes 13/2/2017

2 and 3: HWFRS Annual Report 2015/16

4 and 5: SFRS Annual Report 2015/16

## **West Mercia Fire and Rescue Governance**

### **Consultation Q&A**

#### **Will this mean I get a better or worse service when I need help from the police or fire crews?**

In itself, a change in governance does not directly impact frontline services. It does not affect frontline firefighters or police officers and most things would stay exactly the same at first. One aim of bringing governance together is to make it easier for our police and fire services work together more to improve the service you get.

#### **Will frontline officers be lost as a result of this?**

No. If anything, this proposed change of governance would actually help protect frontline officers. Our police and fire services need to find efficiencies at the moment. Working together more would help them find those efficiencies in support functions, rather than on the frontline.

#### **Will specialist equipment be lost from our police or fire services?**

No. That would not be acceptable and is certainly not part of these proposals. Police and fire services would work more closely though on joint procurement and sharing best practice to improve resilience.

#### **Would this mean a reduced presence or visibility from our police or fire services in local communities?**

No. The PCC is already working to improve community visibility for police and would not compromise that for either service. In the future it could be that, for example, our police and fire services share more buildings, but they would still retain their community presence.

#### **Would these changes mean a loss in local identity for our fire services?**

No. Both fire services would still exist as individual organisations, as would West Mercia Police. The same local police and fire teams would be responding to incidents as we have now. Their names and branding etc. would not be affected and they would still serve the same communities they do now.

#### **Will this mean that funding from one area, which currently goes to one service, could be used to prop up other services in different areas?**

No – this could not happen. Each service would retain its own budget, income, expenditure and reserves. These would all be ring-fenced to each specific service and geographic area.

#### **Would the fire services be merged together? Would they be merged with the police?**

No, the services would work more closely together, but they would not be merged. This would help maximise the benefits of collaboration, without losing the identities, brands and public confidence of the organisations.



**Would I still pay separate council tax contributions for police and fire services? Will they still have separate budgets?**

Yes, because the organisations are not merging and still have their own ring-fenced finances. You would still pay an amount towards policing and a separate amount towards your fire service. From a public perspective, nothing significant would change in terms of how services are paid for via council tax or financed more broadly speaking.

**What are the benefits here in terms of finances or efficiencies?**

A change in governance would enable a saving of around £4m to the taxpayer. This would be from the efficiencies that can be achieved by our two fire services and our police force working more closely together and sharing more support functions.

**Do our police and fire services need to save money? Would this change help with that or not?**

Both our fire services and our police force have been well governed up to now, but they haven't worked together as well as they can. All three organisations do need to find further efficiency savings in the coming years. In percentage terms, our two local fire services are facing the largest savings targets of any nationwide. West Mercia Police is implementing savings of £9.5m this year, with a further £21.9m projected by the end of 2020/21.

These proposed changes in governance will not single-handedly solve these challenges. However, they would save an estimated total of £4m per year and help ensure that each organisation is squeezing as much efficiency from its back-office function as possible, and therefore offering some increased protection to frontline services.

**Does the PCC have the experience to run fire services?**

Much like the Chief Constable runs the Police force, there would still be a vastly experienced and professional Chief Fire Officer who would run their fire service as well.

These proposals are about governance – providing a strong voice for communities, holding those chief officers to account, ensuring the public get an effective, efficient service and making sure services respond to community needs. This is a role the PCC already fulfils for policing and crime and would be expanding to cover the fire services as well in the best interests of public safety.

**What if there are major objections to these proposals, will they go ahead regardless?**

If there are objections from top tier councils or there is not a local appetite for these changes they don't have to go ahead. The proposals would be independently reviewed and the final decision would rest with government.

**Who is driving these proposals? The government or the Police and Crime Commissioner?**

The Police and Crime Commissioner is the person driving this forward. The PCC commissioned the piece of work to look into the possibilities here and has ultimately decided



there is a proposal which is worth exploring further in the best interests of public safety and services.

**Is this just the Police and Crime Commissioner ‘building an empire’?**

This is purely and simply about what is best for our emergency services and our communities in the short, medium and long term. The recommendations for these changes have come from independent experts who have conducted an in-depth review of the current arrangements and what is possible going forward. If there was no prospect of improving effectiveness and efficiency then the PCC would not be pursuing these proposals.

**How would this impact rural communities?**

By getting the police and fire services to work together better we should be able to provide a better and more resilient service in our more remote areas.

**What will happen to the Chief Officers who are currently in charge of the police and fire services?**

These arrangements will not be affected by these proposals. Our police and fire services will continue to be run by experienced, professional officers who are experts in their fields.

**If these changes make our emergency services more efficient, would that leave them vulnerable to the government reducing their budgets?**

The PCC has lobbied the government for fairer funding for policing since his election and would continue that campaign if he was in charge of governing fire services as well. By being able to demonstrate to government that local police and fire services are as efficient as possible already, it would strengthen the case for fairer funding, with a particular focus on providing services in rural communities.

**Is it less democratic to have a single person in charge of governance of our local fire services?**

There are currently 40 local councillors who sit on the two fire authorities, who would be replaced by a single directly elected person if these proposals go ahead. Whilst these councillors are all elected, they are only elected to represent their wards. They are not elected to the fire authorities. Fire authority members are nominated by councils without consulting the public.

If these changes go ahead, in 2020 our communities would have the chance to directly elect a local Police, Fire and Crime Commissioner. Every voter would have an equal say. This proposal will increase the democratic accountability of our fire and rescue services.

**Could we get better collaboration and integration between our police and fire services without this change in governance?**

In theory it is possible, but the reality is that it has not happened. Collaboration between our police and fire services does go on, but it is limited and does not go far enough to maximise the possible benefits to our communities. A change in governance to have a single body



overseeing all three organisations would help provide the catalyst to get this progress moving forward.

**What are the alternatives to these proposals? Why aren't they possible?**

There are a couple of alternatives.

1. Maintain the status quo of having a PCC and two fire authorities. This option would not realise any of the potential effectiveness and efficiency benefits of single governance.
2. Create a 'single employer', and have our police and fire services as part of one big organisation. This is not proposed as an option as it could blur the lines between policing and fire and could risk compromising the specific professional skills of each service.

**Would our local councils still have a role to play in fire governance?**

Yes, the Commissioner is proposing a system whereby each top-tier local authority would be asked to nominate fire representatives. These Councillors would help inform and support the PCC in his work.

**How would this affect the police alliance between West Mercia Police and Warwickshire Police?**

This would not have a direct impact on the policing alliance.

**Are the ambulance services involved in this at all?**

No, they aren't. They have indicated that they do not wish to be at this stage.

**Communities have different relationships to their fire services than they do with their police. How would these changes impact on that?**

This is acknowledged and these changes would not necessarily impact on that directly. The police will still be the police, fire services will still be fire services. This change in governance would not directly affect those community relationships, although with the Commissioner's responsibilities around community engagement, responding to community concerns and providing a strong voice for the public, if anything this change would hopefully improve relationships for both services and develop safer communities through effective, efficient collaborative working.

**Who would hold the Commissioner to account if he were to take over governance of the fire services?**

The electorate would still hold the Commissioner to account as at present. Currently the Commissioner is scrutinised by West Mercia's Police and Crime Panel. If these proposals go ahead, their role would also be expanded to become the Police, Fire and Crime Panel.

**Will the PCC get paid any more for this?**

The PCC's salary is fixed by Parliament. In time it could be that they review his pay, however this has not been discussed by any party at this point. This is not the driver for the proposed changes in governance, this is purely about the effectiveness and efficiency of our police and fire services.



**Who has made these recommendations? Can we trust that they know what they are talking about?**

The PCC engaged independent business consultants to assess this issue. They included Doctors and Professors who are experts in their fields. The lead consultant has 30 years of experience working with businesses across the public, private and third sectors, reviewing their processes, organisational structures and operations in order to maximise their effectiveness and efficiency. The consultants gathered and analysed evidence, including from talking with senior police and fire officers, the local Fire Authorities and partner organisations, before presenting their conclusions.

## WEST MERCIA FIRE AND RESCUE GOVERNANCE

### CONSULTATION

The Police and Crime Commissioner is proposing to take on governance of local fire services in Herefordshire, Shropshire, Telford & Wrekin and Worcestershire.

This would result in:

- Estimated £4 million annual savings through improved efficiencies.
- Closer collaboration between police and fire services.
- Improved resilience for ensuring public services.
- No changes to frontline officers or services
- A system of a directly elected Police, Fire and Crime Commissioner.

Q1 Do you support these proposals?

Yes ☐

No ☐

Q2. What are the main reasons for your answer to question 1? (Please tick all that apply).

Financial considerations ☐

Service resilience ☐

Levels of collaboration ☐

Replacing the existing Fire and Rescue ☐

Authorities

Other (Please Specify):

#### About You

Q3. In what capacity are you responding?

As an individual member of the community ☐ (Please go to question 6)

On behalf of a business ☐ Please go to question 7)

As an employee or volunteer of the police or fire service ☐ (Please go to question 4)

As a local councillor or on behalf of a local council ☐ (Please go to question 5)



Q4. Do you work for any of the following? (This can include in a voluntary capacity)

Hereford and Worcester Fire and Rescue Service ☐

Shropshire Fire and Rescue Service ☐

West Mercia Police ☐

Q5. Are you any of the following?

Town or Parish Councillor ☐ Unitary Councillor ☐

District / Borough / City Councillor ☐ County Councillor ☐

Providing an official response on behalf of the following Council

Q6. Please confirm your age

Under 18 ☐ 40 - 64 ☐

18 – 25 ☐ 65 and over ☐

26 – 39 ☐ Prefer not to say ☐

Q7 Please confirm which local policing area you live in (or are located in if you are responding on behalf of a business, organisation or a council)

Herefordshire ☐

Shropshire ☐

North Worcestershire: Bromsgrove, Redditch, Wyre Forest ☐

South Worcestershire: Malvern Hills, Worcester City, Wychavon ☐

Telford and Wrekin ☐

Other (Please specify)

**THANK YOU FOR TAKING THE TIME TO TAKE PART IN THIS CONSULTATION.**

Please post your completed questionnaire to:

John Campion, West Mercia Police and Crime Commissioner, Hindlip Hall, Worcester WR3 8SP

The closing date for the consultation is **Monday 11<sup>th</sup> September 2017**

Results will be published in due course on: [www.westmerica-pcc.gov.uk](http://www.westmerica-pcc.gov.uk)

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## **Shropshire and Wrekin Fire and Rescue Authority Chair's Report of the Annual Meeting held on 14 June 2017**

### **Election of Chair and Appointment of Vice-Chair**

The Fire Authority has elected Councillor Eric Carter as its Chair and appointed Councillor Keith Roberts as its Vice-Chair until June 2018.

### **Vote of Thanks and Welcome**

The Fire Authority has given a vote of thanks for Councillors Joyce Barrow, Chris Turley and Stuart West, who left the Fire Authority in May.

The Fire Authority also welcomed new Members Councillors Pauline Dee, Janice Jones, Paul Milner, Kevin Pardy, Alex Phillips and John Price.

### **Code of Corporate Governance 2016/17**

Shropshire and Wrekin Fire and Rescue Authority is committed to the principles of effective corporate governance and has, therefore, adopted a Code of Corporate Governance, which is based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), entitled:

The guidance has been refreshed following publication, in April, of a new governance framework for local authorities and police and fire authorities, for application for the 2016/17 year. The Authority's Code of Corporate Governance has been reworded to reflect the key changes in the guidance.

The Fire Authority has conducted its annual review of the Code of Corporate Governance and agreed the recommendation of its Audit and Performance Management Committee that the Code be formally adopted.

### **Anti-Fraud, Bribery and Corruption Strategy**

In April 2005, the Fire Authority adopted an Anti-Fraud and Corruption Strategy (since amended to include references to bribery), which is designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

The Fire Authority has, on the recommendation of its Audit and Performance Management Committee, agreed amendments to the Strategy, which ensure that it aligns to the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on managing the risks of fraud and corruption (produced in October 2014).

The Strategy will be brought to the attention of all employees on the Service's weekly newsletter.

## **Committee Composition and Allocation of Seats to Political Groups**

The Fire Authority has agreed the composition of its Committees and the allocations of seats on its committees to political groups.

## **Committee Membership and Constitution**

The Fire Authority has confirmed appointments to its committees and appointed its Chair, Councillor Eric Carter, to the Local Government Association Fire Services Commission. Councillor Kuldip Sahota has been appointed as both the Fire Authority's Equality and Diversity Member Champion and its Risk Management and Audit Member Champion. The Fire Authority has also reviewed and agreed the constitution of its committees.

## **Review of Member Role Descriptions**

The Fire Authority has reviewed and agreed the following Member Role Descriptions:

- Member
- Chair of the Authority
- Vice-Chair of the Authority
- Leaders of the Main Opposition Groups
- Equality and Diversity Champion
- Independent Person, including Skills and Competencies

## **Review of Standing Orders and Scheme of Delegation to Officers**

The Fire Authority has reviewed and agreed its Standing Orders for the Regulation of Proceedings and Business, Standing Orders relating to Contracts and the Scheme of Delegation to Officers.

## **Statement of Accounts 2016/17**

The Fire Authority has received a report, setting out the key revenue issues, which have arisen from work on the Statement of Accounts 2016/17.

## **Technical Collaboration Funding**

The Fire Authority has approved the transfer of £262,000 from the 2016/ 17 General Fund balance to the Service Transformation Programme staff reserve to support in-house technical development and technical collaboration with Hereford and Worcester Fire and Rescue Service (HWFRS).

The Service Transformation Programme began in 2012/13, following the Public Value initiative where the Service sought to reduce the budget to meet reductions in grant funding. The Programme was based on the principle of investing to save, using underspend generated from cutting costs early to save in the longer term as financial pressure was anticipated to grow in future years. This has been an effective strategy and has seen considerable transformation in the use of technology across the Service.

Previous and current phases of the transformation work have been discussed with, and demonstrated to HWFRS and recently an opportunity has arising to jointly fund staff to support both transformation agendas. This would enable HWFRS to progress with their technical transformation programme and enable this Shropshire Fire and Rescue Service (SFRS) to continue some technical development by reducing the associated costs and making continued employment of some staff with specialist technical skills possible to March 2019.

SFRS will maintain the employment relationship for the staff concerned and their time will be allocated / seconded to HWFRS as necessary with HWFRS meeting all reasonable costs for that work. In addition to the technological benefits for both Services, the collaboration will also provide evidence of the Services' meeting the legal 'Duty to collaborate' which was recently introduced in the Policing and Crime Act 2017.

## **Police and Crime Commissioner Initial Business Case**

The Chief Fire Officer has held a staff briefing regarding the Initial Business Case and, having explained the process, has encouraged all staff to read the Business Case and respond to the consultation questionnaire. The Representative Bodies have also been briefed with regard to the Business Case.

The views of the constituent authorities are being sought and the Fire Authority's views will be set out in its response to the Business Case.

## **Integrated Risk Management Plan IRMP 3 Telford Central Project**

The Fire Authority has approved progression of the Telford Central Project which will see significant investment in the site to bring it up to modern standards.

Following the introduction of the legal 'Duty to collaborate' within the Police and Crime Bill, officers have worked with West Mercia Police to explore all possible opportunities for collaboration, both in Telford and across the whole of the county. With regard to Telford, the outcome of this has been the acknowledgment that there is significant potential to improve future collaborative working if both Services' Learning and Development Centres are located on the same site. The Feasibility Study for the project has therefore been updated to include the potential for the sharing of facilities between the two Services and indicative costs of the overall project have been calculated.

A number of possible cost apportionment options have been identified and discussions regarding these options have begun between SFRS and West Mercia Police. The Fire Authority has approved officers to explore the 'Fixed Percentage capital share' cost apportionment option with West Mercia Police. This would see a sharing of the risk, by both organisations, in the event that the costs were significantly different to those indicated by the Feasibility Study

## **Partnership Working**

Partnership working is a key element in the Fire Authority's strategy to meet its vision of "Putting Shropshire's Safety First". It is also a key theme of the Fire Service National Framework. The Fire Authority and the Service are actively involved in a number of partnerships, which are risk assessed for liability and reputation and scrutinised by the Service's Risk Management Group. This Group maintains a partnership register and monitors the outcome and productivity of each of the partnerships.

Over recent years the Service has developed several new partnerships, which primarily support its prevention activities, in particular, providing a means to target some of the most vulnerable people in the community. All partnerships have been risk assessed and measurable objectives set.

The Fire Authority has received a report, giving details of the more significant partnerships, with which the Service is involved, with the aim of meeting its community fire safety aims and objectives.

## **Corporate Risk Management Annual Report 2016/17**

The Fire Authority has received an annual report on corporate risk management work during the last 12 months.

Ongoing monitoring of the Service's corporate risk management work is a responsibility of the Service Management Team and the Risk Management Group (RMG) with the Audit and Performance Management Committee receiving regular corporate risk management reports.

The RMG's primary function is to ensure that the Authority has an effective and efficient risk management process in place. The Group does this through reviewing the Corporate Risk Register, Departmental Statements of Assurance, Departmental Risk Registers and Internal Audit findings, highlighting, where necessary, issues or areas of concern through to the Service Management Team and/or the appropriate committee.

There are currently eleven risks on the Service's Corporate Risk Register, which includes one new risk that has been added during this reporting year.



Eric Carter  
Chair  
Shropshire and Wrekin Fire and Rescue Authority  
June 2017

## Background Papers

Agenda and Papers for the Annual Meeting of Shropshire and Wrekin Fire and Rescue Authority held on 14 June 2017

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

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

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

- Click on the 'Managing the Service' icon at the top of the page
- Click on the 'Fire Authority' icon
- Click on 'Meetings' in the list on the right hand side of the screen
- Click on '14 June 2017' and the various reports and appendices will be listed

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

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**Council**  
**20 July 2017**

## **MEMBER QUESTIONS**

### **AGENDA ITEM 16**

#### **QUESTION 1**

**MR ROGER EVANS** will ask the following question to the Portfolio Holder for Children's Services and Education:

"I note on the Shropshire Council website the following statement is made.

*Shropshire Council provide travel passes for entitled students who normally reside in Shropshire and who meet the Post/16 transport assistance criteria. Following a recent consultation it has been agreed that the contribution level for 2017/18 academic year will be £875. Families may also contribute for a termly pass. For families on defined benefits, an annual contribution towards the cost of the transport assistance has been set at £142.50 for each entitled student.*

I am aware of a so called consultation that was carried out in 2014 and letters that were sent out in each of the subsequent 3 year listing the increase that parents would have to pay in order for their children to receive the education we all want them to have. My understanding is that this consultation was to cover the academic years of 2014/15, 2015/16 and 2016/17. The statement on the council website is for the Academic year 2017/18 and the word "recent" is used in it.

I note in an e-mail sent to me in 2015 querying the large increases the following statement was made; "I can confirm that following the Post/16 consultation last year whereby the Council listened to parents and all stakeholders, it was agreed to implement a phased increase over 3 years which took effect from September 2014".

During these 3 years the cost has increased for those whose parent(s) earn over £16,190 per year from £450 in September 2012, to £875 from September 2017. Almost doubling the amount a parent has to pay, a huge increase. However for those students whose parent(s) earn less than £16,190 the cost has increased even more, from £30 to £142.50, an increase of almost 500%. These increases were all delegated by previous policyholders to officers so members were not allowed, unable to call the decisions in for debate or even scrutinise them as to their value plus look at their true cost to the council. The decisions were in effect made behind closed doors with no public debate allowed.

I also note the following statement on the council website. This appears on the same page as the quote highlighted above.

Travel passes to school or sixth form/college are normally issued for one returnable journey a day. This would be to travel into college up until 12 noon and return home after 12 noon. However many transport operators including

Arriva Trains Wales now offer unlimited travel on their network and students may wish to contact their local operators to find out what options are available to them.

I understand that most of these options cost less than the cost of the travel card that Shropshire Council provides. I understand that many of the cards supplied by transport operators can be used on any day of the week and for multi-journeys against the council's 5 day and just one return journey allowed on each college day. I note that many schools and colleges are now having to use their own education money to finance transport so that their students can attend their courses. Money that is provided and should be used to provide the education our young people deserve is now having to be used to provide transport.

Can the portfolio holder inform me when this recent consultation was carried out, who was consulted and when the decision was made to implement the above charges for the Academic year 2017/18 please. Also can Council be informed how many applications for a travel card were made to Shropshire Council in the Academic year 2012/13 and how many cards have been issued so far this Academic year."

**MR NICHOLAS BARDSLEY**, the Portfolio Holder for Children's Services and Education will reply:

Whilst the Director of Children's Services has delegated powers relating to the Post 16 Contribution Scheme, a full and comprehensive consultation was carried out in 2014 with the various stakeholders, including town and parish councils, students and parents. Following this consultation the proposals were agreed and fully implemented over a period of 3 academic years, commencing in September 2014 (14/15, 15/16 & 16/17). For those students who unfortunately did not qualify for Post/16 transport assistance through Shropshire Council, a bursary is available through colleges which can help the student pay for items including clothing, books, transport and lunch on days the student has to study.

A further consultation was carried out for each of the academic years in which the contribution levels were to change in 2015 and 2016 prior to the commencement of each academic year. Following consideration of the low number of comments received from each of these subsequent consultations, the phased changes agreed in 2014 were introduced in the 2015/16 & 2016/17 academic years.

There is no increase to the contribution levels for the 17/18 academic year which is of course good news for students and their families who currently access this scheme and It is perhaps helpful to know that whilst contribution levels have changed since 2014 they do still represent good value, especially where students have to travel long distances with a current average fare of £2.43. The contribution for those families on low income of £142.50 represents an average fare per journey of 40p. All students are also able to approach their colleges to apply for funding for the contribution element via their bursary schemes.