



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

Date: Tuesday, 25 June 2019

**Committee:
Cabinet**

Date: Wednesday, 3 July 2019

Time: 11.00 am

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

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

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

Members of Cabinet

Peter Nutting (Leader)
Steve Charmley (Deputy Leader)
Gwilym Butler
Dean Carroll
Lee Chapman
Steve Davenport
Robert Macey
David Minnery
Lezley Picton
Ed Potter

Deputy Members of Cabinet

Nick Bardsley
Rob Gittins
Simon Harris
Roger Hughes
Elliott Lynch
Alex Phillips

Your Committee Officer is:

Amanda Holyoak Senior Democratic Services Officer

Tel: 01743 257714

Email: amanda.holyoak@shropshire.gov.uk

AGENDA

1 Apologies for Absence

2 Disclosable Pecuniary Interests

3 Minutes

To approve as a correct record and sign the minutes of the Cabinet meeting held on 12 June 2019 TO FOLLOW

4 Public Question Time

To receive any questions or petitions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is no later than 24 hours prior to the commencement of the meeting.

5 Member Question Time

To receive any questions of which members of the Council have given due notice, the deadline for notification for this meeting is 5.00 pm on Friday 28 June 2019.

6 Scrutiny Items

Report from the Performance Management Scrutiny Committee on Parking Strategy Implementation Six Month Review - TO FOLLOW

7 West Midlands ADASS Accountable Body Arrangements with Shropshire Council (Pages 1 - 26)

Lead Member – Councillor Dean Carroll, Portfolio Holder for Adult Social Services and Climate Change

Report of Director of Adult Services, Housing and Public Health attached

Contact: Andy Begley, 01743 258981

8 STAR Housing Tenancy Agreement Consultation (Pages 27 - 54)

Lead Member – Councillor Robert Macey, Portfolio Holder for Housing and Strategic Planning

Report of Director of Place attached

Contact: Mark Barrow, tel 01743 258916

9 Treasury Management Update Quarter 4 2018/19 (Pages 55 - 76)

Lead Member – Councillor David Minnery, Cabinet Member for Finance and Corporate Support

Report of Director of Finance, Governance and Assurance attached

Contact: James Walton, 01743 258915

10 Quarter 4 2018/19 Corporate Performance Report (Pages 77 - 84)

Lead Member – David Minnery – Cabinet Member for Finance and Corporate Support

Report of Chief Executive attached

Contact: Clive Wright, tel 01743 252702

11 Council Housing Stock Options Review

Lead Member – Councillor Robert Macey, Portfolio Holder for Housing and Strategic Planning

Report of Director of Place TO FOLLOW

Contact: Mark Barrow, tel 01743 258916

12 Private Sector Housing Enforcement Policy (Pages 85 - 108)

Lead Member – Portfolio Holder for Housing and Strategic Planning

Report of Director of Adult Service, Housing and Public Health attached

Contact: Andy Begley, 01743 258981

13 Exclusion of the Press and Public

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

14 Shrewsbury Business Park Investment

Lead Member – Councillor Steve Charmley, Deputy Leader and Portfolio Holder for Assets, Economic Growth and Regeneration

Report of Director of Place TO FOLLOW

Contact: Mark Barrow, 01743 258916

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Shropshire Council from 1st April 2019 through the Director of Adult Services and Housing and WM-ADASS Executive Board.

- 2.2 Approves the establishment of a Dynamic Purchasing System on behalf of WM-ADASS to enable the programme to access subject matter specialists to support the delivery of the programme.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The risks associated with the delivery of this programme have been identified and a risk register has been developed. This covers the governance, finance, human resources, and technology and data requirements of the programme. All risks within the risk register are low or very low risks due to the mitigating controls applied to the risks. Robust governance arrangements have been established together with a clear funding strategy and contingency arrangements. The risks will be subject to regular review.

4. Financial Implications

- 4.1 As accountable body Shropshire Council will be responsible for applying for and receiving funding on behalf of WM-ADASS, hosting staff and paying associated costs and commissioning specific projects. This will be under the direction of the WM-ADASS Executive Board.
- 4.2 There is a minimal risk of financial clawback if spend is not in line with the requirements of the funding body. Any expenditure incurred, and funding awarded to third parties will be carefully monitored to ensure it is in line with funding requirements. If clawback is instigated, it will be repaid from the contingency element of the budget allocation. Any clawback arising from previous arrangements prior to Shropshire Council undertaking the role of accountable body will also need to be funded from the contingency allocation.
- 4.3 Funding of £660,000 has been transferred from Worcestershire County Council in relation to monies received prior to 31st March 2019 in their role as the accountable body. Further funding is due to be received from Worcestershire County Council once the final transactions for 2018/19 have been reconciled.
- 4.4 A Memorandum of Understanding (MoU) will be agreed between the 14 councils in the region for the period 1st April 2019 to 31st March 2022 subject to an annual review. The MoU will confirm a commitment from each council to contribute £10,000 per annum to assist with the delivery of a regional improvement programme.
- 4.5 Shropshire Council will provide Finance, HR, ICT, Legal and Procurement support to WM-ADASS. A Service Level Agreement will be drawn up confirming the services to

be provided. All costs in relation to this support will be covered from funding awarded to WM-ADASS so there is no direct financial implication for Shropshire Council.

- 4.6 All costs associated with hosting the staff including any potential future redundancy, pension and associated HR liabilities have been incorporated into the forecasted expenditure. Regular budget monitoring will ensure that any costs incurred in relation to hosting the arrangement can be covered by the funding received.

5. Background

Next Generation West Midlands Care and Health Improvement Programme

- 5.1 In September 2017, WM-ADASS, Chaired by Shropshire Council's current Director of Adult Service and Housing, reviewed the joint programme and set out an ambitious agenda on the theme of "Flipping Social Care" to set out a more future focused asset-based approach based on a sound understanding of the risks facing the sector, but which also sought to place greater emphasis on transformation, collaboration and partnerships as a means to position the programme to maximise impact and raise the profile of the region.
- 5.2 West Midlands ADASS (WMADASS) has run a very successful improvement programme over the past decade in partnership with Improvement and Efficiency West Midlands (IEWM). The approach has been sustained by identifying clear shared priorities, combining and maximising the use of stretched resources and continually refreshing the programme so that it meets the requirements of Adult Social Care as it responds to the changing policy, financial and improvement agendas of the sector.
- 5.3 During 2018 the revised approach has resulted in new opportunities presenting themselves through the national review of ADASS, the refocussing of the LGA's care and health improvement programme to have a stronger emphasis on the regions and the reorganisation of NHSE/I with an eagerness to align regional improvement activity. In April 2019 the Director of Adult Services and Housing was elected as the national policy lead for ADASS
- 5.4 The strength of the ASC Improvement programme has been highlighted by the commitment of all 14 councils in the region to commit resources to the programme, sign a memorandum of understanding to emphasise their commitment to sector led improvement and complete a second phase of the nationally recognised Peer Challenge programme. The credibility has also been strengthened by the significant improvement in performance specifically in relation to delayed transfers of care and a greater emphasis on technology and prevention in the programme that has attracted new national and regional partners.
- 5.5 All of which is closely aligned to the bespoke requirements of the 14 councils and builds on the commitment from DASS and their management teams to collaborate to share performance, learning, challenges and good practice.

- 5.6 The West Midlands footprint involving the 14-upper tier authorities has proved to be a sustainable planning unit for WM-ADASS and helpfully NHSE are in the process of reverting to it also. The links with the WMCA and County Council network, although not coterminous, have established means of communication and from a national perspective the West Midlands is clearly recognised. The evolution of STP's, CCG's also sit neatly within the footprint and collaborative work is underway to produce up to date mapping of a series of place-based data sets of the health, care and wellbeing geography of the region.
- 5.7 WM-ADASS uses specialist subject matter Associates to provide capacity to support the work required by ADASS who are recruited currently by Worcestershire County Council via a dynamic purchasing system supported by their Procurement team. This has provided a highly effective and efficient method for delivering specific work streams addressing specific challenges faced by adult social care and health services across the region. Work has commenced in refreshing the DPS and managing it through the Shropshire Procurement team.
- 5.8 The West Midlands Care and Health Improvement programme operations include: -
- A programme director and programme manager to direct the programme and advocate on behalf of the sector who are employees of Shropshire Council as of 1st April 2019
 - Servicing the WM-ADASS branch and networks as required e.g. administration, contacts database, meeting planning, event organisation, financial monitoring etc.
 - Programme management and project management of individual workstreams
 - Administration of peer challenge process
 - Managing the associate pool and effective commissioning of support requirements
 - Hosting and management of grant funding and attracting external funding and sponsorship
 - Strategic/operational Comms support e.g. national lobbying, influencing/ positioning the West Midlands, hosting of website and social media activities
 - Drawing on support from Shropshire Council via the SLA arrangement (e.g. HR/Payroll, ICT, Finance, Legal, Procurement & Contracting/ management of the DPS etc.)
- 5.9 A 'Prospectus' for the new Care and health improvement offer has been developed in consultation with WM-ADASS and other stakeholders setting out performance, scale of operation and vision for the future as well as providing an up to date picture of the activities and support that is available to the region to attract new investment and partners to assist strengthening the 'Flipping Social Care' message nationally.
- 5.10 As part of a memorandum of understanding signed by the 14 Directors of Adult Social services in the west midlands there is a requirement to operate an executive group to over see the operation of the programme and to ensure the accountable body status and service level agreement operate transparently ensuring clear lines of accountability for the programme.

6 Additional Information

A copy of the West Midlands ADASS Prospectus which outlines the work currently being undertaken by the team attached for members' information

7. Conclusions

The hosting of West Midlands ADASS recognises the reputation that this council has developed in relation to its innovative approach to adult social care and provides opportunities to further enhance relationships with the regional and national bodies responsible for the delivery of social care services

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 Dean Carroll
Local Member
Appendices Prospectus – Flipping Adult Social Care

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Flipping adult social care

Building the next generation ADASS in the West Midlands

West Midlands ADASS Prospectus April 2019

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IEWM

Improvement and
Efficiency
West Midlands



*“A region with a sustainable health and care system,
that supports thriving economies and communities;
promoting independence and social justice”*





What is a prospectus?

“Document describing the major features of a proposed business venture in enough detail so that prospective investors, participants or buyers may evaluate it.”

Our Vision

We want to create a region with a sustainable health and care system, that supports thriving economies and communities; promoting independence and social justice.

Why publish a prospectus?

We want to change our approach to build our profile and connect with partners who can help us meet our vision.



Page 10
Preface –
 from Andy Begley,
 Chair WM ADASS



Director of Adult Services
 and Housing,
 Shropshire Council

West Midlands ADASS (WMADASS) and Improvement and Efficiency West Midlands (IEWM) have run a successful improvement programme over the past decade. The approach has been sustained by identifying clear shared priorities, combining and maximising the use of stretched resources and continually refreshing the programme so that it meets the requirements of adult social care as it responds to the changing policy, financial and improvement agendas of the sector.

We think it is time to refocus our approach and this prospectus sets out some key concepts that we want to work with our partners to develop.

Transforming our approach from a deficit model to one that highlights the assets that we have and contribution that the sector makes to the West Midlands economy."



Solving the adult social care puzzle

The Rubik™ cube has more than one billion possible turns to find a solution.

We have developed a simple model to help us find solutions to the adult social care challenges we all face.

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Martin Samuels

Our approach to improvement starts with self awareness and our improvement plan helps us focus on the Why, What, When, How and How Much. This plan helps to keep our objectives consistent and simple.

Rubic programme management tool

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WEST MIDLANDS *RUBIC MODEL 2019/20

Summary of resources we have and the changes /results we hope to achieve

Vision: A region with sustainable health & care systems, that supports thriving local economies and communities; promoting independence & social justice.

INPUTS	ACTIVITIES	OUTPUTS	OUTCOME	IMPACT
<p>14 WM Directors of Adult Social and their teams</p> <p>Improvement & Efficiency West Midlands (Hosted by Shropshire Council)</p> <p>Partners: NHSE, LGA, AHSN, PHE, ADCS,ADPH, SFC, CQC, HEE, WMCA, CCN, Solace</p>	<p>Peer Challenge programme</p> <p>Networks focussed on agreed priorities</p> <p>Turning data into Knowledge</p> <p>Collaborating for Influence</p> <p>Policy Development</p> <p>Promoting Adult Social Care</p> <p>Transforming Services</p> <p>Communicating what we do</p>	<p>14 Peer Challenges</p> <p>14 Self-Assessment documents</p> <p>Regional Balanced Score Card</p> <p>Regional Use of Resources Analysis</p> <p>Safe and Timely transfer of care statement of intent</p> <p>Prospectus – Flipping Social care</p> <p>Regional workforce recruitment campaign</p> <p>Market risk protocol</p> <p>Digital transformation Website</p>	<p>14 improvement plans</p> <p>Safe transfer of 464 Allied Health Care clients</p> <p>19% increase in DTOC performance</p> <p>Digital collaboration with AHSN</p> <p>Shared safeguarding policies</p>	<p>Sustainable adult social care for vulnerable people</p> <p>Meeting gap in Adult Social care workforce</p> <p>Reduced numbers of people in hospital</p> <p>Regional influence with partners</p> <p>Increased national profile</p>
Planned work			Intended results	

Transformation + Collaboration + Promotion

= Success

How?

Making sure we mitigate our biggest risks and challenges: - finance, safeguarding, market fragility, transforming care, delayed transfers of care. Whilst building a programme that is successful in focusing on transformation, collaboration with our partners and promoting what we do as a sector to support the most vulnerable in our communities.

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Mitigation



Jenny Wood

Delayed transfers of care have been one of our biggest risks. Through our statement of intent, we have reduced delays by 19% across the region during 2017/18.

Getting above the parapet



What does good adult social care look like?

Our 4c's Model

Strong Communities	Managed Contacts	Effective Conversions	Efficient Consumption
<ul style="list-style-type: none"> Asset-based community development Early intervention Prevention Social prescribing 	<ul style="list-style-type: none"> demand from contacts: <ul style="list-style-type: none"> Digital innovation Turning data into knowledge Public-facing information and advice Maximising community 	<ul style="list-style-type: none"> Personalised services Co-produced with users and carers Social work practice Reablement At home 	<ul style="list-style-type: none"> Financial performance Market management Safeguarding Transforming care Safe and timely transfers of care Commissioning for better outcomes



David Watts

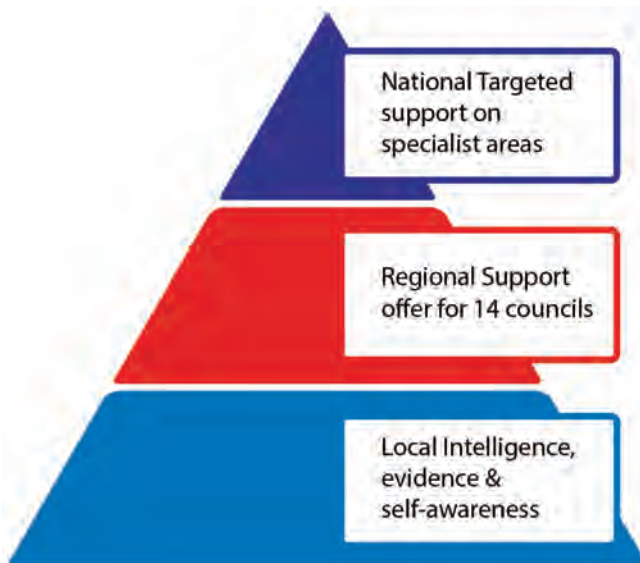
We want to use our data better to demonstrate what good looks like, working with Impower as our insight partner.



Driven by Sector led improvement

We believe improvement starts from self-awareness and working with peers to find support and challenge.

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Pete Fahy

Our starting point is to understand our own individual council financial and performance challenges and to work together to improve.

Our regional support offer

Through West Midlands IEWM we have a pool of experienced associates able to support the region in focusing on our key challenges.

Our Associates offer in 2019:

Support to:

- Drive safe and timely transfer of care
- Provide safeguarding advice
- Implement future workforce planning
- Develop market management and future care homes visioning
- Provide a performance and knowledge hub
- Promote the 3D leadership programme to develop future leaders
- Undertake finance diagnostics
- Promote the social care economy
- Undertake peer challenge / self-assessment
- Communicate our key messages.



Avril Wilson

We have built a pool of trusted and valued associates that provide support and capacity to our programme, all of whom are recruited through the Worcestershire DPS



Working with our partners on improvement

We recognise the importance of working with our partners and are striving to build new relationships that help bring together our collective resources to focus on improved social care outcomes.

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Our partners



- NHSE
- LGA
- Achedemic Science network
- Public health england
- ADCS
- ADPH
- Skills for care
- Care quality commission
- Health Education England
- West Midlands Combined Authority
- County Councils Network
- Solace



Ian James CHIA LGA

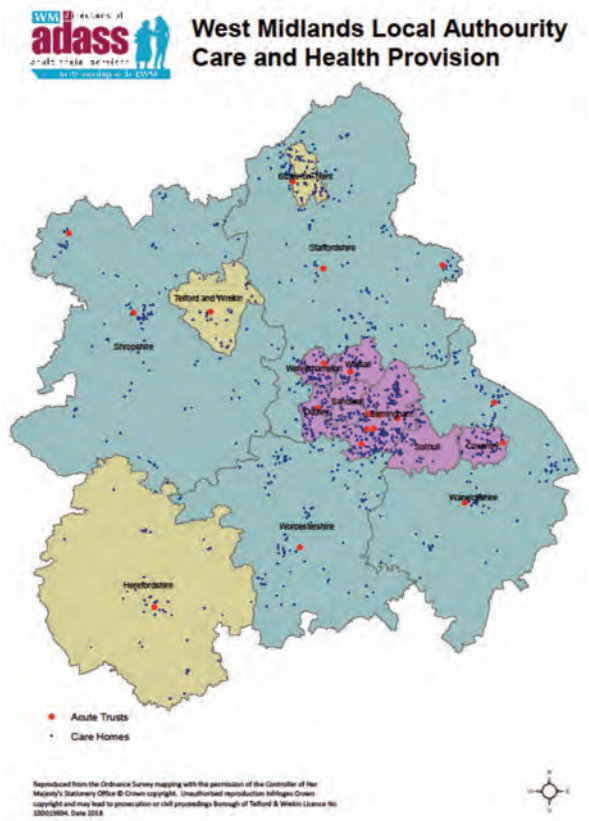
West Midlands ADASS work closely with the LGA and play a key role in bringing together the views of the social care sector as we strive towards a more integrated health and care improvement offer in the West Midlands.



Where?

We recognise the complexity of our organisational boundaries, but recognise the importance of communities and neighbourhood which provides the building blocks for successful place-based planning.

We are 14 upper tier council directors of adult social care based in the West Midlands.



Richard harling

The West Midlands is made up of metropolitan, unitary, and county councils. We see great advantages of working together on the West Midlands' footprint' as well as working with our benchmarking councils nationally.councils nationally.

How much?



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£2.3billion
gross spend in
West Midlands

Creating
170,000
jobs

570,000 unpaid carers
contributing estimated
£14.6 billion of added
value to regional economy

Operating at
4,100
locations

Contributing
£4.4b
to the regional
economy



Paula Furnival

If we were a private corporation we would be seen as a major player in the regional economy. The figures speak for themselves.

Page 20 How are we performing

As a region our performance varies, and each council recognises the need to continuously improve, based on local, regional and national comparisons.

We know what we are



Our annual balance scorecard provides details of each council's performance using qualitative and quantitative data.



Graeme Betts

We have some big challenges in our region, but we are all committed to finding new and innovative approaches to ensure the best possible outcomes for the people in our communities.



Who we are

There are 14 Directors of Adult Social Services in the region

We are 1 of 9 regions that make up ADASS in England

We try to use the maxim Create Once, Use Numerous Times (COUNT)

Why produce things 14 times when you can do it once?



Paul Edmonson-Jones

When I recently moved to the West Midlands I was impressed with the welcome I received from colleagues at WM ADASS and the support they were able to give me as I moved into a new role.

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Psychogeography of Care and Health

Many assets that contribute to people's overall well-being are in the very communities in which they live.

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Pete Jackson
WM ADASS

We recognize the importance of places, communities and neighbourhoods. Organisational boundaries don't always show the full picture or the contribution local government overall plays to improve people's life chances.

#socialcarefuture
Add description from Twitter

**West Midlands
ADASS is forging
new partnerships to
maximise the use of
data to revolutionise
how care is planned
and delivered.**

The West Midlands Social Care Data and
Technology Collaborative.

**“The future is already
here – it’s just not
evenly distributed.”
William Gibson**

**Join the Data
Revolution
(Tech Severn)**



Working with AHSN, NHS Digital and LGA

Page 21
We have designed a bespoke programme during 2018 to provide a 5-day programme for 42 first line managers to prepare them with the practical tools to become future adult social care leaders.

3D Leadership Programme – Future Leaders in Adult Social Care



Graduates from the latest cohort with Andy Begley and David Watts

“ADASS sometimes feels like it represents a different generation of social care leaders”

Disruptive Leadership

It’s time for change!

Using technology to improve communications and build stronger networks

- Skype/teleconferencing
- Social media
- Website

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Communications

Promotion
Partnering with BoilerHouse
and Shropshire Council



**Shelley Madley
WM ADASS**

We are using digital technology not only with the communities that we work with but also to improve how we communicate with colleagues nationally and internationally.



Follow on twitter @WMADASS

Look at our Website

<https://www.westmidlandsiep.gov.uk/info/13/wm-adass-adult-social-care>

Email us at smadley@westmidlandsiep.gov.uk



IEWM

Improvement and
Efficiency
West Midlands





<u>Committee and Date</u>
Cabinet – 3 rd July 2019

<u>Item</u>
TBC

Tenancy Agreement Consultation Report

Responsible Officer: Mark Barrow
e-mail: Mark.Barrow@shropshire.gov.uk Tel: 01743 258919

1. Summary

- 1.1. Shropshire Towns & Rural Housing are the Council's Arms-Length Management Organisation. They are responsible for the management of the Council's Housing stock in Oswestry and Bridgnorth which equates to approximately 4100 properties.
- 1.2. This report presents the outcomes of a consultation carried out by Shropshire Towns & Rural Housing on behalf of Shropshire Council with its tenants, relating to a proposal to vary their tenancy agreements by introducing an updated and amended version.

2. Recommendations

- 2.1. That Cabinet approves the draft tenancy agreement.
- 2.2. That Cabinet authorises Shropshire Towns & Rural Housing, in compliance with Section 103 of the Housing Act 1985, to issue on each tenant, a Preliminary Notice of Intention followed by a Notice of Variation to formally vary the Shropshire Council tenancy agreements, subject to the following amendment which will be highlighted in the notice sent to all tenants.
 - i) Section 14 of the agreement. Where it refers to the Data Protection Act 1998 to be updated to take-into-account the introduction of the General Data Protection Regulations (GDPR) in 2018.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. Current tenancy agreements are out of date. Presently, the Council operate two different types (Secure & Fixed term) which can cause confusion. A new single agreement eliminates possibility of the wrong agreement being used for the wrong types of tenancy.
- 3.2. The new tenancy agreement will have updated clauses which will assist in dealing with tenancy management issues not covered by the old agreements. Failure to update the agreement will mean they become increasingly unfit for purpose.

4. Financial Implications

- 4.1. There was a cost to the Housing Revenue Account of £6,854 for the procurement of a company to undertake the consultation.
- 4.2. The new proposed tenancy agreement includes any day tenancy start dates (as opposed to all tenancies starting on a Monday). This will allow collection of additional rent for 'parts' of a week that currently cannot be utilised due to start date having to be following Monday even if client moves in on Wednesday before.
- 4.3. Any day start date will also reduce void periods and associated loss of income during void periods.

5. Background

- 5.1. It is necessary to review and refresh tenancy agreements on a regular basis to ensure they remain both legal and relevant to the tenancies being managed.
- 5.2. The present Shropshire Council tenancy agreement was introduced following a similar consultation in 2011. A flexible (fixed term) tenancy agreement was also introduced by Shropshire council in 2013.
- 5.3. Since their introduction, changes in legislation including the Localism Act 2011 have meant the tenancy agreements have become outdated and having two different tenancy agreements in use is not easy to understand by tenants, or consistent with good practice in the housing sector.
- 5.4. Shropshire Towns & Rural Housing instructed the services of HQN (housing consultants), to carry out a review of the current tenancy agreements and to draft the new tenancy agreement. The new tenancy agreement combines both the Secure and Flexible (fixed term) tenancy agreement currently in use, as well as updating sections affected by changes in legislation and best practice in the housing management sector.
- 5.5. The new agreement has been reviewed by Shropshire Council's Legal Department to ensure that it meets the Council's requirements, legislative necessities and that it is appropriate for use when managing tenancies and enforcement.
- 5.6. The new agreement is easier to understand, can be used for all types of tenure (secure, flexible or fixed term) and used for all existing tenants without effecting their current tenure type. It also allows flexibility for the appropriate tenancy type to be granted to new and transferring tenants.
- 5.7. Before the tenancy agreements can be varied, the Council is required under Section 103 of the Housing Act 1985 to carry out consultation and to consider the tenant responses.
- 5.8. Shropshire Towns & Rural Housing carried out a consultation with tenants between 26th November 2018 and 2nd January 2019. All Shropshire Council tenants were provided with a copy of the proposed tenancy agreement, a list of the proposed variations and a letter explaining the consultation. Tenants were provided with an opportunity to comment through a number of methods including a reply slip and pre-paid return envelope, social media, website and telephone options.

- 5.9. A List of the proposed variations and the reasons and effects of the change was included in the consultation documents highlighting 12 proposed variations. A copy of the consultation documents is provided at Appendix 1.
- 5.10. A summary of the responses is provided in Appendix 2 to this report. There are no material changes required to the agreement as a result of the consultation.
- 5.11. A total of 4070 consultation letters were sent out to all tenants and the consultation was available 'online' during the consultation period. Tenants were able to respond by completing the reply slip, by e-mail, visiting the website or by telephone.
- 5.12. Responses from all 1470 consultation letters have been received.
- 5.13. 84 tenants returned the reply slip and provided a response that related to the tenancy agreement consultation or Shropshire Towns & Rural Housing. Of those, 39 made comments about various sections in the new agreement and 45 provided general positive comments about the agreement and Shropshire Towns & Rural Housing.
- 5.14. 117 tenants returned the reply slip and provided information about matters that did not relate to the tenancy agreement consultation. These included 'calls for service' requesting repairs to their homes and complaints about other residents behaviour. These requests have all been individually dealt with and responded to by Shropshire Towns & Rural Housing as part of their management function.
- 5.15. 39 responses relating to the clauses of the new tenancy agreement consultation have been scrutinised and details are provided in Appendix 2. Responses to individual tenants expressing concerns have been actioned and general points of concern posted on the Shropshire Towns & Rural Housing website to assist tenants in their understanding of the varied agreement.
- 5.16. 15 tenants commented about Section 20 relating to the retention of an amount of credit on a rent account equivalent to 4 weeks rent before a refund is issued as a requirement for a deposit. No Deposit is required from tenants, this section relates to refunds of credit balances on their accounts.
- 5.17. 3 tenants commented they did not wish to lose their Right to Buy their council property. This will not be affected by the variations.
- 5.18. 4 tenants commented about keeping dogs. There is no general restriction and this only relates to properties that share a communal entrance where fouling and nuisance is caused by tenants pets.
- 5.19. 6 tenants commented that dropped kerbs should be provided at their houses. These are not provided but tenants can apply to carry out the work themselves.
- 5.20. 1269 tenants returned a reply slip but made no comment.
- 5.21. The responses of the tenants have been given due consideration. There are no material changes required to the draft variation agreement required. Section 14 requires updating to reflect the introduction of the General Data Protection regulations in 2018.

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 Robert Macey, Portfolio Holder for Housing and Strategic Planning

Local Member

All

Appendices

Appendix 1 – Draft Tenancy Agreement

Appendix 2 – Consultation Documents for Proposed New Tenancy Agreement

Appendix 3 – Comments on Proposed New Tenancy agreement

Tenancy Agreement and Conditions

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Ending a flexible secure tenancy	Error! Bookmark not defined.

The Agreement

1. By signing this agreement, you are agreeing to become our tenant, and to abide with the terms and conditions of the tenancy.
2. Both Flexible Secure and Secure tenancies will start with a one-year Introductory Tenancy unless the tenant(s) have already successfully completed an Introductory Tenancy with Shropshire Council or another local authority. (Housing Association starter tenancies are not Introductory Tenancies).
3. All Introductory Tenancies are for a twelve-month trial period with a statutory option to extend them for a further six months if we have specified concerns about the conduct of the tenancy.
4. All Flexible Secure Tenancies will be for a period of five years starting from the date the Introductory Tenancy ends or the tenancy start date if there has been no Introductory Tenancy.
5. Whether the Introductory Tenancy will become a Flexible Secure or Secure tenancy at the end of the introductory period is determined in accordance with the Tenancy Policy.
6. The right to a review of the length of a Flexible Secure Tenancy is managed in accordance with the Tenancy Policy.
7. If there is no extension and no possession proceedings in progress at the end of the introductory period, the tenancy will automatically become a Flexible Secure or Secure tenancy. The types of tenancy you are being offered are set out in the box below and are explained in more detail in the Tenant Handbook.
8. Secure Tenancies have no fixed term and are sometimes known as lifetime tenancies.
9. If more than one person is named below, this is a joint tenancy and each person has the full responsibilities and rights set out in the Terms and Conditions.

The Property		
Address		
Postcode		
Property Type:		
Property Size:		
Maximum number of occupants:		
Adaptations		
Special features		
The Tenancy		
Tenancy Start Date		
Tenancy type		
Introductory Period		
Tenancy type at the end of the introductory period		
Name	Date of Birth	National Insurance Number
Tenant 1		
Tenant 2		
Former Tenancy Address		
From		
To		
Outstanding amount	£	
Payments		
Property Rent:	£	
Service Charge:	£	
Other Charges:	£	
IHM:	£	
Community Alarm	£	
Heating charge	£	
Former Tenancy Arrears	£	
Gardening Scheme	£	
Total	£	

10. Your landlord is Shropshire Council. You can serve any notices (including notices in legal proceedings) on us at the address set out below. This is our notice to you of our address as required by section 48(1) of the Landlord and Tenant Act 1987.

Shropshire Council
The Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

11. The landlord's managing agent is Shropshire Towns and Rural Housing Limited, The Spruce Building, Sitka Drive, Shrewsbury Business Park, Shrewsbury, SY2 6LG.
12. Please read this agreement carefully before accepting the tenancy. You are entering into a legal contract with us. If you need help to understand your Tenancy Agreement or any of the Terms or Conditions below, you must contact us as soon as possible or get advice from a solicitor or the Citizens Advice Service. Details of who to contact and how are in your Tenant Handbook.
13. When the agreement has been signed, the conditions become binding on you as tenant(s) and the Council as landlord. You may lose your home if you do not keep to the conditions and you should notify the Council or our managing agent if you feel we have failed to meet our obligations.
14. For data protection purposes, you agree that we may process personal information, which you have provided or has been provided by third parties, to perform the functions of managing your tenancy and the provision of general housing and support needs. Any processing will be undertaken in accordance with the provisions of the Data Protection Act 1998 and any other relevant legislation and regulation and in accordance with our policies on disclosure or information and confidentiality. By entering into this tenancy agreement, you consent to such processing.
15. Any legal notice or other communication arising from this Agreement will be validly served on you if served on you either by hand; by hand delivery to your property; by post at the property or your last known address or by any other valid means. It will be deemed that you have received all letters and notices the same day if we delivered them by hand; the second working day after posting if sent by first class post; or the third day if sent by second class post.
16. You agree that, to the best of your knowledge, the information you have provided to us, in agreeing to the terms of this tenancy, is true. You must not carry out or commit any fraud related to your occupation of the property. Housing fraud can result in both criminal prosecution and civil financial penalties.

Signed (Tenant 1)		Date	
Signed (Tenant 2)		Date	
Signed on behalf of Shropshire Council			
Name:		Date:	
Signature		Position	

Help and Advice

17. Where appropriate, we may work with you to give you support, advice or help to sort out any problems without having to take legal action including:

- Providing you with advice about rent arrears, benefits entitlement and money management
- Providing you with general advice about looking after the property; garden and shared common areas
- Putting you in contact with support agencies who can help you with your health and wellbeing including adaptations to the property or substance misuse issues
- Giving you advice about the repairs you are responsible for
- Assisting with mediation to help you to sort out any problems you may have with your neighbours

The Terms and Conditions

Paying your rent

18. You must pay your rent and all other charges listed in this Agreement above on the Monday of each week in advance. If you want to pay your rent for longer periods than a week you must pay in advance and notify us of any new arrangement.
19. If your tenancy starts on a day other than a Monday, your first payment must include the rent due for that part of the week together with one week's rent in advance.
20. We will retain on your rent account an amount of credit equivalent to four weeks' rent which will be refunded at the end of the tenancy. Any additional credit will be refunded to you upon request.
21. We will give you at least four weeks' written notice of any increase or decrease in the rent payable. Changes in rent or other charges normally happen annually in April. Rents are set in accordance with the legislation and the regulatory framework which apply at the time of the change.
22. If you have rent arrears owing on another Shropshire Council tenancy when the Tenancy Agreement above is signed, you have agreed to pay off those arrears by the weekly instalments shown as a condition of the Agreement above.
23. Each joint tenant has a responsibility to pay in full the rent and all other charges listed in the Agreement above.
24. If your property is in supported accommodation with a community alarm and/or intensive housing management service, it is a condition of your tenancy that you pay for the services you receive.
25. If you live in general purpose housing and currently, or at any point during your tenancy, you receive a community alarm and/or intensive housing management service, it is a condition of your tenancy that you pay for the services you receive.
26. If neither you nor any other member of your household can maintain and cultivate your garden in accordance with paragraph 54 below and you are in the Gardening Scheme we will carry out the work required on your behalf. The cost of being in the Gardening Scheme will be reflected in the payment schedule in the Tenancy Agreement above.

Your rights

27. You have the right to see our policies and those of our managing agents and contractors.

28. You have the right to see certain personal information relating to your tenancy or housing application. The main rights that you have (which may be limited in the case of special categories of data) are to see the contents of electronic and manual files; have a copy of the file or parts of it if you pay a charge; and ask for any information that is not accurate or not needed in the file to be corrected or removed.
29. We will consider all issues about **tenancy succession** using the legislation and Tenancy Policy that apply at the date of death.
30. **Lodgers** can live with you provided it does not cause overcrowding or exceed the maximum number of occupants set out in the Tenancy Agreement above.
31. Flexible Secure and Secure Tenants can **sub-let** part of their home with our written consent. It is a criminal offence to sublet the whole of the property.
32. Introductory Tenants can only **assign** their tenancy in accordance with a Family Court order under the legislation which applies at the time the order is made.
33. Flexible Secure and Secure tenants can assign their tenancy:
- By exchanging tenancies, with our written consent, in accordance with the legislation and regulatory provisions which apply at the time of the application and with certain conditions which we will inform you of if consent is given
 - In accordance with a Family Court order under the legislation which applies at the time the order is made
 - To someone who would be eligible to succeed to the tenancy under the legislation and regulatory provisions that apply at the time of the application
34. Flexible Secure and Secure Tenants have the Right to Buy their home except for supported housing or properties that are deemed, by us or our Managing Agent, to be substantially adapted which are excluded from the Right to Buy. Time as an Introductory Tenant will count toward the qualifying period and eligibility for discount for the Right to Buy.
35. Secure Tenants only have the **right to carry out alterations or improvements** to their home with our written consent. All improvements must be done to our satisfaction. Any such alterations or improvements will normally become our property when the tenancy is ended or we may ask you to remove, at your own expense, any structures you have added, and make good the fabric of the building.
36. Secure tenants have the right to **claim compensation for certain improvements** you have made to the property at the end of the tenancy.
37. You have the right to ask us to use an alternative contractor to carry out certain qualifying repairs which will be considered under the legislation which applies at the time of the application.

Your responsibilities

38. You must occupy the property as your only or principal home. We will take steps to serve the required notice and recover possession of the property where we do not believe you are living there. You must inform us immediately if you know that you will be away from the property for more than four consecutive weeks.
39. You must move into the property by the tenancy start date in the agreement above. If you do not you may not be able to claim support with your housing costs.
40. If we have evidence that you have not moved into your property or that you have moved out without telling us, we may, for safety reasons, tell the electricity, gas and water services that we believe your property is empty.
41. You are responsible for insuring your contents against deliberate, malicious, criminal or accidental damage.
42. You are responsible for ensuring the number of people living in the property does not either exceed the maximum number of occupants set out in this Agreement or result in statutory overcrowding.
43. You must supply us with details of any person who is living with you in the property and immediately upon any change to such details. You must also inform us and our Managing Agent immediately upon the death of any person who has a right to reside with you at the property.
44. The Council or its Managing Agent may conduct tenancy audits of the property. If requested, you must provide proof of your identity and anyone living with you.
45. You must only use the property as a private dwelling house. You must not run a business from the property without our written consent. For this purpose, businesses include but are not limited to:
- A vehicle maintenance business
 - A printing business
 - Any business where you must use hydraulic equipment, industrial machinery or chemicals
 - A shop or wholesale business where customers would have to visit your property
 - Any business that would mean business vehicles would be parked at your property or in the area near your property. For example, if you wanted to run a vehicle-hire company, delivery business or taxi business
 - An animal breeding business
 - A haulage or lorry business
46. If the property has a door entry system you must use it properly and must not prop or allow doors to be propped open. You will be recharged for the cost of any replacement keys or key fobs for door entry systems.

47. You must allow us, our Managing Agents and contractors reasonable access to your property to inspect the condition of the property and to carry out general repairs and improvements. This includes inspections and servicing of the gas and electrical supply, gas appliances, solid fuel and other forms of heating systems, asbestos safety checks, fire safety checks, treatment for pest or vermin infestation or to carry out urgent repairs. We will try to give you at least 24 hours' notice if we need routine or urgent access.
48. You must ensure safe passage for us, our Managing Agent or our contractors for inspecting, carrying out repairs, gaining access to roofs and loft spaces or for any other reason including the annual gas safety inspection. You must not allow an accumulation of personal property to prevent or obstruct any inspection, repairs or access to the property.
49. Should we require the property to be empty for works, repairs or improvements to be carried out you must, on reasonable notice, move to suitable temporary accommodation for the duration of the works, repairs or improvements. You must leave the temporary accommodation and return to the property on completion of the works, repairs or improvements.

Repairs, maintenance and alterations

50. We expect our tenants to always act in a reasonable manner and to have regard for the property; their use of common areas; their neighbourhood and their neighbours. This responsibility applies to you, members of your household and any other person living in or visiting the property including children.
51. You must inform us or our Managing Agent of any defects to the property that are our responsibility as soon as you become aware of them including defects to common areas.
52. If we consider any defects have been made worse by your failure to report them we may charge you the additional cost of any repairs resulting from your failure to report them.
53. You are responsible for repairing and maintaining all improvements and fixtures and fittings made or fitted by you in and around the property, for example, kitchens, bathrooms, sheds and outbuildings.
54. You must keep the property, outbuildings and garden, including any trees and hedges, in a reasonable condition.
55. You are responsible for the cost of repairs that are the result of neglect or misuse, or deliberate, malicious, criminal or accidental damage by you, people living in the property or people visiting the property.
56. You must take all reasonable precautions to protect the property from fire which includes but is not limited to:

- 56.1. Ensuring that all means of escape from the property are kept free from obstruction
 - 56.2. Ensuring that any fire or smoke detection equipment installed in the property is working correctly. This mean that you must test the fire or smoke alarms regularly. If a fire or smoke alarm fitted by us is not working correctly, you must notify us as soon as you become aware it is not working; and
 - 56.3. Ensuring you do not do anything that in our opinion reduces fire safety at the property, or in any communal areas. This includes but is not limited to removing or damaging any fire detection devices or removing, altering or damaging any structures that provide fire separations (such as doors and walls)
57. You must not allow an accumulation of personal property to cause structural damage to the property.
58. You must not lay floor coverings or mats or place decorative items or materials on landings or common areas. You are responsible for keeping any common areas clean, tidy and clear of all items. We may remove any items left in the common areas and recharge you the cost of storing or disposing of the item.
59. If you do not maintain the inside and outside of the property, including gardens, hedges, trees and boundaries, to a reasonable condition, we may require you to make good the condition of the property or we or our Managing Agents may carry out the work required and charge you the costs of the work.
60. You must make sure that there is always adequate ventilation and heating within the property to avoid condensation building up within the property and causing damage. You must follow any advice given by us, our managing agents or contractors to prevent condensation.
61. You must not alter the boundary of the property without our permission. This includes altering or erecting any fence, hedge or boundary wall.
62. If alterations are made to the property without permission or are not carried out to a reasonable standard, we may require you to make good the condition of the property or we , or our Managing Agents will carry out the work required and charge you for the costs of the work.

Good behaviour

63. You are responsible for your own behaviour, the behaviour of members of your household including your children; and anyone living in or visiting the property including behaviour in shared common areas. You or any person living in or visiting the property must not:
- do anything that causes or is likely to cause a nuisance or annoyance to a neighbour or a person living, working in or visiting the local area. This

includes people living in the locality of your home, street or estate regardless of whether they are Council or private tenants or owner occupiers

- harass or threaten to harass or use or threaten to use violence or intimidate a person in the local area because of their race, colour, ethnic origin, nationality, age, sexuality, religion, gender, illness or disability or any other protected characteristic
- use or threaten to use violence towards any person living in the property.
- use violence, threats or intimidation towards any partner or anyone living in or visiting the property to try to remove them from the tenancy or cause them to leave. This includes but is not limited to emotional and financial abuse and coercive control.
- use or threaten to use violence towards any person living in the locality of your home, street or estate regardless of whether they are Council or private tenants or owner occupiers
- use the property for any criminal, immoral or illegal purpose, which includes storing or handling stolen goods
- harass or threaten to harass or intimidate or use or threaten violence verbally or physically towards our employees, councillors, anyone contracted to do work for the Council, our managing agents, our contractors or tenant representatives. This includes but is not limited to contact by email, social media and letter
- create a health and safety risk
- damage any of our property or possessions or those of any of our tenants; your neighbours or any member of their household or visitors

64. You, or any person living in or visiting the property, must not, either in your property or in the area near your property, use, possess, produce, or supply any drugs or substances that are illegal under the Misuse of Drugs Act 1971 or under any other or subsequent part of the criminal law.

65. You, or any person living in the property may only keep domestic pets if they do not cause a nuisance or annoyance to anyone living, working or visiting the locality or do not cause any damage to the property. We may ask you to remove any pet if it causes nuisance or annoyance or damage to the property. You must on request provide details of any pets you have in the property.

66. You, or any person living in the property, must not keep dogs in flats with shared communal areas unless they are assistance dogs in accordance with the legislation which applies at the time of the tenancy.

67. You, or any person living in the property, must not breed any animals from your property as a business.

68. You, or any person living in the property, must not keep in or around the property any dangerous, offensive, harmful or inflammable materials except those that can reasonably be put to domestic use.

69. You, or any person living in the property, must not keep petroleum based fuel or bottled gas anywhere inside the property, or in common areas.

70. You, or any person living in the property, must not erect on the property any barbed wire, broken glass or other material that may cause injury.
71. You, or any person living in the property, must ensure that all refuse is contained in a bin and placed outside the property in accordance with the local waste collection authority's requirements.
72. You, or any person living in the property, must dispose of your household furniture, belongings and other bulky waste properly by taking it to a household recycling centre or arranging collection by an authorised waste carrier. You must not leave it in common areas, the garden or outside the property other than on the day of collection.
73. You, or any person living in or visiting the property, must not knowingly or recklessly damage any property or possessions belonging to us or our managing agents, our contractors, any neighbours, any of our other tenants, any other person living in the area near the property or any member of their household, lodger, sub-tenant or visitor.
74. You, or any person living in or visiting the property, must not use any device or equipment, or do anything, which creates so much noise that it causes a nuisance or annoys your neighbours.
75. You, or any person living in or visiting the property, may only park a motor car or motorcycle within the boundaries of the property if a garage, car hardstanding and a properly constructed pavement and kerb crossing has been provided. You must not park trade vehicles, caravans, trailers or any other vehicle on the property without our written consent.
76. You, or any person living in or visiting the property, must not park any car, caravan, trailer, motorcycle, lorry or other vehicle in your garden or on any Council owned grass verge, crossover, shared area or paved or grassed area unless it is a parking area that we have given you written permission to use.

Our rights and responsibilities

77. Except for changes in rent, or any other charges (see Clause 21 above), the **terms of this agreement can only be changed** if we give you written notice allowing 28 days for you to tell us your views on the proposed changes. We will consider the views of all tenants who respond. Following the consultation, you will receive a 28-day Notice of Variation setting out the final version of the changes and the date they will take effect.
78. We will not interfere with your rights to the **possession of the property** unless there is a breach of these Terms and Conditions. You will be given an opportunity to explain and put right any breaches before we consider legal action unless there is a threat of violence or significant risk of harm requiring immediate legal action. If the breach persists:

- **Introductory Tenants** may receive a Notice of Proceedings for Possession. The Notice will give the reasons why the action is being taken and when and how to request a review of the decision.
- **Flexible Secure and Secure Tenants**, may receive a Notice of Seeking Possession giving the reasons for the action and the grounds under Schedule 2 of the Housing Act 1985 for possession.

79. Where these Tenancy Conditions say you need to get our **consent**, we will not unreasonably withhold it although it may be subject to conditions. If you do not keep to these conditions we may withdraw our consent. We will give you a written explanation if we attach conditions to our consent; do not give consent or if consent is withdrawn.

Our repairs and maintenance responsibilities

80. We undertake to keep in good repair and proper working order our installations for supplying water, gas, electricity and sanitation and the installations for space and water heating. We also undertake to keep in good repair the structure and exterior of the property.

81. We are not responsible for repairs that arise because of deliberate, malicious, criminal or accidental damage caused by you, people living in the property or people visiting the property.

82. In an emergency and/or where life, property or contents may be at risk we will attempt to contact you using the emergency contact information you have provided. If we have not been able to contact you or if you refuse access for any reason we will enter the property, using keys made available for our use by our contractor, or where a key is not available by using reasonable force; make safe the cause of the emergency; make good any damage, and ensure you are provided with replacement keys as soon as we can reasonably contact you.

Ending your tenancy

83. Termination of the tenancy by you:

84. If you are an Introductory or Secure Tenant and you want to give up your tenancy you must give us at least four weeks' written notice, ending on a Sunday. All keys to the property must be received by us before 12 noon on the following day (Monday).

85. If you are Flexible Secure Tenant, you may terminate the tenancy agreement during the fixed term by serving a break notice on us at least four weeks before the break date ending on a Sunday. The break notice shall be of no effect if, at the break date stated in the break notice:

- you have not paid any part of the rent which was due to have been paid in respect of the tenancy
 - vacant possession of the whole of the property is not given
 - you are in breach of any of the terms of the tenancy agreement relating to the state of repair and condition of the property
86. Subject to clause 85 above, following the service of a break notice a Flexible Secure Tenancy ends on the relevant break date. Termination of the tenancy agreement on the break date shall not affect any other right or remedy that either party may have in relation to any earlier breach of the Tenancy Agreement.
87. If a joint tenant gives notice ending the tenancy we will decide whether any of the other joint tenants will be given a new tenancy or allowed to remain during the remainder of a Flexible Secure Tenancy.
88. Whichever form of tenancy you have, you must ensure that the condition of the property and our fixtures and fittings are the same when you move out as at the start of the tenancy other than for fair wear and tear. We reserve the right to recover any reasonable costs we incur in replacing, repairing or reinstating any missing or damaged items and alterations which either do not comply with relevant regulations or codes of practice or for which we did not give our written consent.
89. You must make sure that any member of your household, lodger, sub-tenant or visitor leaves the property when your tenancy ends.
90. During the four-week notice period, where requested to do so and on being given reasonable notice, you must allow us or our Managing Agents access to inspect the condition of the property.
91. You must remove your furniture, furnishings, clothing and rubbish on or before the day your tenancy ends.
92. In the event of your death, your executor or personal representative must notify us in writing and terminate the tenancy. The tenancy will continue until we receive notice and failure to terminate may incur further costs against your estate including any unpaid rent.

Termination of the tenancy by us:

Flexible Secure Tenancies

93. We may re-enter the property let on a Flexible Secure Tenancy (or any part of the property) at any time after any of the following:
- Any rent is unpaid for twenty-one days after becoming payable whether it has been demanded or not
 - Any breach of any condition of this tenancy agreement has occurred
 - An act of insolvency on the part of the tenant

94. If we re-enter the property (or any part of it) in line with this clause, the tenancy agreement will end immediately without prejudice to any other right or remedy in respect of any breach of the tenancy agreement by the tenant.
95. We will begin to review a Flexible Secure Tenancy at least 12 months prior to the end of the fixed term. The criteria, process, advice and assistance arrangements and right to review are set out in the Tenancy Policy.
96. If we are not going to renew your Flexible Secure Tenancy, we will give you at least six months' notice that the fixed term is coming to an end. We will make it clear that we do not propose to grant another tenancy, the reason for that decision, and how to request a review of the decision.
97. A further notice ending the tenancy will be sent to you at least two months prior to the end date. If we do not propose to grant another tenancy and if you fail to leave at the end of the fixed term we will obtain a possession order from the court.
98. Our obligation to complete the review and consider granting a further flexible tenancy is conditional upon you co-operating with the review, acting in good faith and providing sufficient information to us to enable the assessment to be properly carried out.

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STAR Housing
The Spruce Building
Sitka Drive
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
Date:
Tel: 0333 3212 200
Contact: enquiries@starhousing.org.uk

Dear

Consultation on changes to your Tenancy Agreement

The Council's tenancy agreements have been in place for some time and with any document of this nature, it is important to keep reviewing them to make sure that they are still suitable for both the Council and tenants.

With this in mind the Council and STAR Housing have been carrying out a review of the tenancy agreement and the Council proposes to make amendments to vary the terms of the Tenancy Agreements.

There are a number of reasons for making the changes including:

- To combine our existing Secure & Flexible Tenancy Agreements
- To ensure the Agreement reflects any updated policies and to comply with good practice
- To make sure that the agreement is simple and easy for you to understand

A copy of the proposed new tenancy agreement is enclosed together with a summary of the proposed changes.

As a tenant of Shropshire Council, we believe that it is important that you have every opportunity to work with us to make sure that we give you the best possible service and so we would like you to take part in a consultation on the proposed new tenancy agreement. Please would you read through the proposed new tenancy agreement and complete the simple questionnaire enclosed.

Please return the completed questionnaire by 2nd January 2019.

All comments that have been received by this date will be considered before the Council makes a final decision to vary the tenancy agreement.

You can respond to the consultation in one of the following ways

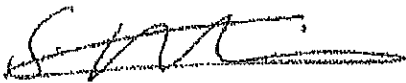
- On our website: www.starhousing.org.uk
- Email us: enquiries@starhousing.org.uk
- Phone us on **0333 32 12 200**

- Completing the attached Response to Tenancy Agreement Consultation and returning it in the envelope provided to :

Tenancy Consultation,
Shropshire Towns and Rural Housing,
Sitka Drive,
Shrewsbury Business Park,
Shrewsbury,
SY2 6LG

You do not need to return the Tenancy Agreement document.

Yours sincerely



Sue Adams
Managing Director

Enclosed: Proposed new tenancy agreement
List of proposed variations
Consultation reply slip
Return envelope

List of Proposed Variations / Reasons & Effects of Change			
	Section / Page	Proposed Variation	Reason / Effect
1.	General	Combine Existing Secure & Flexible tenancies – Please note this will not change your current tenancy type.	This will make your tenancy agreement easier to understand and reduce costs and duplication.
2.	Terms & Conditions Section 19 (Page 6)	If your tenancy starts on a day other than a Monday, your first payment must include the rent due for that part of the week together with one week's rent in advance.	This will remove the need to commence tenancies on Monday only & allow us to start tenancies on any day of the week. Enabling us to respond positively to the needs of our customers and will increase our flexibility.
3.	Terms & Conditions Section 20 (Page 6)	We will retain on your rent account an amount of credit equivalent to four weeks' rent which will be refunded at the end of the tenancy. Any additional credit will be refunded to you upon request.	This is good practice. The deposit is held against the tenancy and protect against unpaid rent or any deliberate damage to the property.
4.	Your Responsibilities Section 43 (Page 8)	You must supply us with details of any person who is living with you in the property and immediately upon any change to such details. You must also inform us and our Managing Agent immediately upon the death of any person who has a right to reside with you at the property.	This will help us respond to overcrowding and under occupation and in the unfortunate event that one of the tenants passes away, we will be able to deal quickly with the issues about who can take the tenancy over.
5.	Good Behaviour Section 64 (Page 11)	You, or any person living in or visiting the property, must not, either in your property or in the area near your property, use, possess, produce, or supply any	This will remove any uncertainty about our approach to the use of drugs in our properties and support our zero tolerance approach to those involved in the

		drugs or substances that are illegal under the Misuse of Drugs Act 1971 or under any other or subsequent part of the criminal law.	illegal use or supply of drugs in our properties.
6.	Good Behaviour Section 66 (Page 11)	You, or any person living in the property, must not keep dogs in flats with shared communal areas unless they are assistance dogs in accordance with the legislation which applies at the time of the tenancy.	This ensures that dogs are only allowed in accommodation that is appropriate for their needs and do not blight or foul communal areas.
7.	Good Behaviour Section 71 (Page 12)	You, or any person living in the property, must ensure that all refuse is contained in a bin and placed outside the property in accordance with the local waste collection authority's requirements.	This will help ensure that neighbourhoods are kept in a clean condition and that we are able to respond when this does not happen.
8.	Good Behaviour Section 74 (Page 12)	You, or any person living in or visiting the property, must not use any device or equipment, or do anything, which creates so much noise that it causes a nuisance or annoys your neighbours.	This will remove any uncertainty about our approach to anti-social behaviour in our properties
9.	Our Repairs & Maintenance Responsibilities Section 82 (Page 13)	In an emergency and/or where life, property or contents may be at risk we will attempt to contact you using the emergency contact information you have provided. If we have not been able to contact you or if you refuse access for any reason we will enter	This supports our commitment to the health and safety of tenants and the wider community. This also ensures we are able to act quickly in the fact of an emergency in <u>exceptional circumstances</u> .

		the property, using keys made available for our use by our contractor, or where a key is not available by using reasonable force; make safe the cause of the emergency; make good any damage, and ensure you are provided with replacement keys as soon as we can reasonably contact you	
10.	Ending Your Tenancy Section 87 (Page 14)	If a joint tenant gives notice ending the tenancy we will decide whether any of the other joint tenants will be given a new tenancy or allowed to remain during the remainder of a Flexible Secure Tenancy	This ensures that we are able to act in the best interests of those who are left the property and ensures we are making best use of the housing stock.
11.	Ending Your Tenancy Section 90 (Page 14)	During the four-week notice period, where requested to do so and on being given reasonable notice, you must allow us or our Managing Agents access to inspect the condition of the property	This will enable us to identify any necessary works or repairs or damage to the property quickly and give outgoing tenants the required amount of time to put right any damage at their own expense.
12	Ending Your Tenancy Section 92 (Page 14)	In the event of your death, your executor or personal representative must notify us in writing and terminate the tenancy. The tenancy will continue until we receive notice and failure to terminate may incur further costs against your estate including any unpaid rent.	This will ensure that we continue to comply with the law and terminate properties in the correct way.

RESPONSE TO TENANCY AGREEMENT CONSULTATION

FULL NAME:.....

ADDRESS:.....

CONTACT NUMBER:.....

EMAIL:.....

DATE:.....

SIGNED Tenant 1.....

SIGNED Tenant 2.....

Comments you would like to make (Please give page / section & paragraph Number)

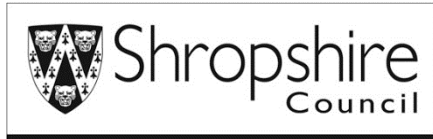
- Please continue overleaf

APPENDIX 3

Comments on Proposed New Tenancy Agreement

Page	Para	Comment
/	/	45 tenants commented they were happy with the new agreement
/	/	3 tenants commented they did not wish to lose their right to buy (this is unaffected by the variations)
/	/	1 tenant commented that the variations should affect leaseholder's in flats (leaseholders agreements are not being varied)
/	/	2 tenants commented that they did not want a new tenancy (their tenure will not be affected by the variations)
4	14	The reference to the Data Protection Act should be updated to say The General Data Protection Regulations (this will be updated)
6	20	15 tenants commented about retaining credit on their rent accounts equivalent to four weeks rent before issuing a refund as taking a deposit. (no deposit is required from tenants, this section refers to the refund of credit balances on their accounts)
9	49	1 tenant commented that they should not pay for being decanted (there is no charge to tenants in these circumstances)
10	59	1 tenant commented about paying for maintaining their garden if they are less able to do so (an assisted gardening scheme is available)
10	63	2 tenants commented about noise nuisance by their neighbours should apply to everyone 24 hours per day.
11	66	4 tenants commented that they should be allowed to keep dogs (this section only relates to keeping dogs in properties that have a shared common access)
12	74	1 tenant commented that the section should be made stronger (this section only refers to noise nuisance that causes a nuisance)
12	75	6 tenants commented that dropped kerbs should be provided at their homes (these are not provided however tenants can apply to do so)
12	76	1 tenant commented about parking on grass verges should be allowed (this is not advised and is discouraged)
13	82	1 tenant commented that entering homes in an emergency was 'breaking and entering' and a criminal act. (this section relates to gaining access in an emergency and is legal)
14	87	1 tenant commented about partners being able to end joint tenancies (all cases follow housing regulation, good practice and granting new tenancies to the partner left in occupation)

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<u>Committee and Date</u>	<u>Item</u>
Cabinet 03 July 2019	
	<u>Public</u>

TREASURY MANAGEMENT UPDATE – QUARTER 4 2018/19

Responsible Officer James Walton

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

Tel: (01743) 258915

1. Summary

- 1.1. The report outlines the treasury management activities of the Council in the last quarter. It highlights the economic environment in which treasury management decisions have been made and the interest rate forecasts of the Council's Treasury Advisor, Link Asset Services. It also updates Members on the internal treasury team's performance.
- 1.2. During the fourth quarter of 2018/19 the internal treasury team achieved a return of 0.90% on the Council's cash balances, outperforming the benchmark by 0.33%. This amounts to additional income of £119,820 during the quarter which is included within the Council's outturn position in the monthly revenue monitor.

2. Recommendations

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

REPORT

3. Risk Assessment and Opportunities Appraisal

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

4. Financial Implications

- 4.1. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the Council.
- 4.2. The Quarter 4 performance is above benchmark and has delivered additional income of £119,820 which is reflected in the Period 12 Revenue Monitor.
- 4.3. As at 31 March 2019 the Council held £127 million in investments as detailed in Appendix A and borrowing of £312 million at fixed interest rates.

5. Background

- 5.1. The Council defines its treasury management activities as "the management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council between 1 January 2019 and 31 March 2019.

6. Economic Background

- 6.1. UK economic growth was particularly strong in the third quarter of 2018/19 before cooling off in the final quarter of the financial year. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Quarter 4 came in at 1.4% year on year confirming that the UK was the third fastest growing individual country in the G7. After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further increases from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC does have concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, in the three months to December before falling marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9%, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.
- 6.2. CPI inflation has been on a falling trend, reaching 1.8% in January before rising marginally to 1.9% in February. However, in the February Bank of

England Inflation Report, the latest forecast for inflation over both the two and three-year time horizons remained marginally above the MPC's target of 2%.

- 6.3. The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real-terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.
- 6.4. The government has so far been unable to muster a majority in the Commons over its Brexit deal. If another form of Brexit, other than the current deal, does get a majority, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there will be a Commons majority which would support a disorderly Brexit or revoking article 50. There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up. Further updates on Brexit will be provided in next quarter's report.
- 6.5. President Trump's easing of fiscal policy in 2018 fuelled a temporary boost in consumption in 2018 which generated an upturn in the strong rate of growth. The annual rate came in at 2.9% for 2018, just below President Trump's 3% growth target. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 which is below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fifth increase in 2018 and the ninth in the current rate rising cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 0.25% by the end of 2020.
- 6.6. Growth in the Eurozone has been weak at 0.4% in quarter 2, 0.2% in quarter 3, 0.2% in quarter 4 and likely to be 0.1% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range, has prompted the ECB to take new measures to stimulate growth. However, with its refinancing rate already at 0% and the deposit rate at -0.4%, it has probably reached the bottom of its rate cutting cycle. At its March meeting it said that it expects to leave interest rates at their present levels "at least through the end of 2019", but that is of little help to boosting growth in the near term.
- 6.7. Chinese economic growth has been weakening over successive years,

despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

6.8. Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamentally reforming the economy.

6.9. Global equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world. They fear there could even be a recession looming up in the US, though the fear is probably overstated. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries with the exception of the US. There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks.

7. Economic Forecast

7.1. The Council receives its treasury advice from Link Asset Services. Their latest interest rate forecasts to 31 March 2022 are shown below:

Link Asset Services Interest Rate View												
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%

7.2. After the August 2018 increase in Bank Rate to 0.75%, the first above 0.5% since the financial crash, the MPC has put any further action on hold, probably until such time as the fog of Brexit might clear and there is some degree of certainty of what the UK will be heading into. *The above forecast, and other comments in this report, were based on a central assumption that there will be an agreement on a reasonable form of Brexit.* In view of the current, lack of any majority in the House of Commons for one option for Brexit, the above forecasts will probably need revision to take account of the current impasse if that were to continue. This could mean that the start of increases in Bank Rate may need to be pushed back.

7.3. The overall balance of risks to economic growth in the UK is probably neutral. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

7.4. Long term PWLB rates are expected to rise to 2.8% in December 2019 before steadily increasing over time to reach 3.3% by September 2021.

8. Treasury Management Strategy

8.1. The Treasury Management Strategy (TMS) for 2019/20 was approved by Full Council on 28 February 2019. The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital.

8.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (up to 1 year), and only invest with highly credit rated financial institutions using Link's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Link. The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations.

8.3. In the fourth quarter of 2018/19 the internal treasury team outperformed its benchmark by 0.33%. The investment return was 0.90% compared to the benchmark of 0.57%. This amounts to additional income of £119,820 during the quarter which is included in the Council's outturn position in the monthly revenue monitor.

7.4. A full list of investments held as at 31 March 2019, compared to Link's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown in Appendix A. None of the approved limits within the Annual Investment Strategy were breached during the fourth quarter of 2018/19. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.

7.5. As illustrated in the economic forecast section above, investment rates available in the market for three months and longer have increased slightly as a result of the increase in Bank Rate in August. The average level of funds available for investment purposes in the fourth quarter of 2018/19 was £145 million.

9. Borrowing

9.1. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the fourth quarter of 2018/19 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.

9.2. Link's target rate for new long term borrowing (50 years) for the fourth quarter of 2018/19 was marginally reduced to 2.40%. No new external borrowing was undertaken during 2018/19. The low and high points during the quarter can be seen in the table below.

	1 Year	5 Year	10 Year	25 Year	50 Year
01/01/2019	1.49%	1.70%	2.08%	2.65%	2.50%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.44%	1.50%	1.80%	2.33%	2.16%
Date	28/03/2019	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.61%	1.82%	2.19%	2.72%	2.56%
Date	17/01/2019	18/01/2019	18/01/2019	18/01/2019	18/01/2019
Average	1.54%	1.68%	2.03%	2.56%	2.41%

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

Cabinet, 17 September 2018, Treasury Management Update Quarter 1 2018/19
 Cabinet, 12 December 2018, Treasury Management Update Quarter 2 2018/19
 Cabinet, 13 February 2019, Treasury Management Update Quarter 3 2018/19
 Council, 28 February 2019, Treasury Strategy 2019/20.

Cabinet Member:

David Minnery, Portfolio Holder for Finance

Local Member

N/A

Appendices

A. Investment Report as at 31 March 2019
 B. Prudential Limits
 C. Prudential Borrowing Schedule



Shropshire Council

Monthly Investment Analysis Review

March 2019

Monthly Economic Summary

General Economy

March began with Manufacturing PMI which fell to 52 in February, from 52.6 the previous month. Construction PMI dropped into negative figures, falling to 49.5 from 50.6 the month before, caused by Brexit uncertainty and the slowing housing market delaying new building projects. Services PMI rounded the figures off with a rising score of 51.3 in February, from a previous 50.1. This left the Composite figure at 50.3 from 51.5.

The UK's trade deficit continued to rise in January; the trade deficit in goods rose to £13.08bn, and the overall deficit rose to £3.83bn, well above the forecasted £2.6bn.

One of the key economic indicators, CPI inflation, rose slightly in February to 1.9% y/y from 1.8% the previous month, moving closer to the Bank of England's 2% target. However, core inflation, which strips out the more volatile components, edged down to 1.8%. Month-on-month, CPI rose to 0.5% from -0.8% previously, marginally below forecasts.

The UK's labour market continued to defy forecasts; the unemployment rate fell to 3.9%, with employment increasing by 220,000, above expectations of 150,000. Meanwhile, wage growth excluding bonuses maintained its 3.4% y/y figure, with the overall figure falling from 3.5% to 3.4%. British consumers are currently enjoying a period of relief as "real wages" continue to be maintained, as wage growth is well above inflation.

A warm month of February caused retail sales figures to unexpectedly keep up their good start to 2019; retail sales y/y growth slowed slightly to 4% from January's 4.1% figure, well above forecasts of 3.3%, and showing that consumer spending continues to be a source of strength for the British economy at a time when Brexit uncertainty is looming over the nation. Prospects for retail sales continue to look strong as wage growth continues to exceed the pace of inflation. In another measure of nationwide consumer sentiment, GfK Consumer Confidence remained at -13.

On the 21st March, the Bank of England's Monetary Policy Committee (MPC) voted unanimously to keep the base rate on hold at 0.75%. Governor Mark Carney has remained dovish due to the prospect of Brexit, but did imply in his press conference that in case of a long Brexit extension, the MPC may move to raise rates in the summer.

The UK's public finances were once again stronger than expected, as the resilient labour market boosted income tax revenue. Public borrowing for February fell to £0.2bn from £1.2bn a year earlier, below forecasts of £0.6bn. With just one month remaining of the financial year, government borrowing totals £21.3bn, down 44% from the same point in the previous tax year, and the government is broadly on track to meet its fiscal targets. Alongside this, Chancellor Hammond suggested in his Spring Statement that spending on public services will be increased if an orderly Brexit can be achieved. The Confederation of British Industry (CBI) data for the month was weaker than expected; the CBI Distributive Trades survey fell from 0 in February to -18 in March, despite being expected to rise to 5. The Industrial Trends survey also suffered a drop, from 6 in February to 1 in March.

To end the month, the final estimate of Q4 GDP growth showed a fall to 1.4% y/y from 1.6% in Q3, however this is higher than the 1.3% earlier estimated. On the quarter, the UK achieved a final estimate of 0.2% growth, a fall from Q3's 0.7%.

In the USA, February's Nonfarm Payrolls figure came in at just 20,000, a massive drop from 311,000 in January, and below forecasts of 190,000. These numbers were amid a contraction in payrolls in construction among other sectors, raising concerns about a sharp slowdown in activity. This was also reflected in the final Q4 GDP estimate, which came in at 2.2%, a further downward revision and down from 3.4% in Q3. The Federal Reserve's Open Market Committee (FOMC) chose to keep rates on hold, as signs of a global slowdown start to take hold.

The Eurozone's unemployment rate remained at 7.8% in January, below predictions of a rise to 7.9%. In terms of growth, the 3rd estimate of Eurozone Q4 GDP growth came in at 1.1% y/y, a sharp drop from Q3's 1.6% figure, partly caused by the largest economy in the bloc, Germany, falling to nearly zero growth.

Housing

According to Nationwide's index, house prices rose 0.4% y/y in February, up from 0.1% in January, however they fell 0.1% m/m, down from 0.2%. Halifax's index showed a 2.8% rise in house prices y/y, well above forecasts of 1.1% and above the 0.8% previous figure. Meanwhile, prices rose 5.9% m/m, up markedly from January's -3% figure.

Currency

Sterling began February at \$1.33 and €1.14 against the dollar and euro respectively, and finished the month at \$1.30 and €1.16.

Forecast

Link Asset Services suggest that the next interest rate rise will be in the third quarter of 2019, followed by further hikes in Q2 2020 and Q1 2021, reaching 2.00% in Q1 2022. Capital Economics also expect the next rate rise will be in Q3 2019, followed by further regular rises, reaching 1.50% in Q4 2020.

Bank Rate								
	Now	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Link Asset Services	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
Capital Economics	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.50%

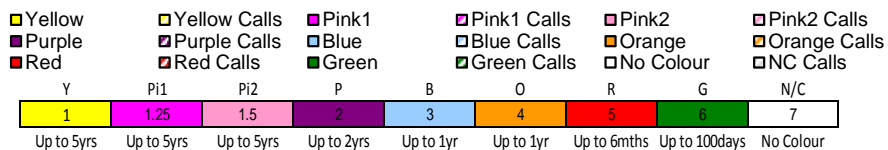
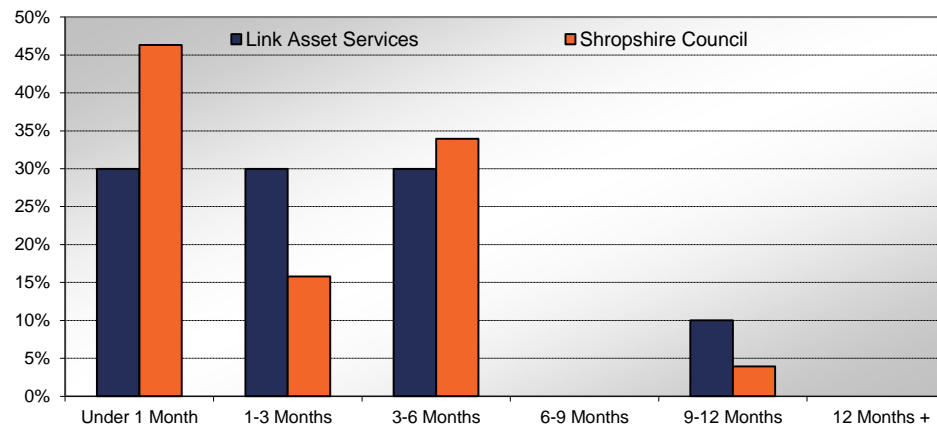
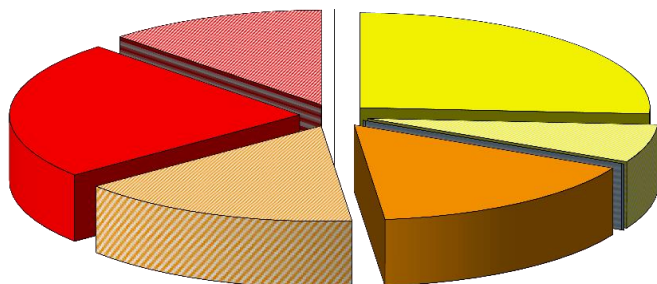
Shropshire Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default	Expected Credit Loss
MMF Insight	200,000	0.75%		MMF	AAA	0.000%	0.22
MMF Aberdeen Standard Investments	8,010,000	0.79%		MMF	AAA	0.000%	8.89
HSBC UK Bank Plc (RFB)	20,000,000	1.05%		Call	AA-	0.000%	13.22
Barclays Bank Plc (NRFB)	500,000	0.82%		Call	A	0.000%	0.72
Santander UK Plc	15,000,000	0.85%		Call	A	0.000%	21.66
Goldman Sachs International Bank	5,000,000	0.86%	03/10/2018	03/04/2019	A	0.000%	21.66
Telford & Wrekin Council	5,000,000	0.90%	05/10/2018	05/04/2019	AA	0.000%	0.00
Lancashire County Council	5,000,000	0.98%	14/05/2018	16/04/2019	AA	0.000%	0.00
North Lanarkshire Council	5,000,000	0.95%	15/11/2018	15/05/2019	AA	0.000%	0.00
Lloyds Bank Plc (RFB)	5,000,000	1.00%	05/06/2018	05/06/2019	A+	0.010%	476.48
Goldman Sachs International Bank	5,000,000	1.06%	07/12/2018	07/06/2019	A	0.010%	490.91
Lloyds Bank Plc (RFB)	5,000,000	1.00%	15/06/2018	14/06/2019	A+	0.011%	541.45
Nationwide Building Society	5,000,000	1.05%	08/01/2019	08/07/2019	A	0.014%	714.71
Lloyds Bank Plc (RFB)	5,000,000	1.00%	13/07/2018	12/07/2019	A+	0.015%	743.59
Thurrock Borough Council	5,000,000	0.98%	16/01/2019	16/07/2019	AA	0.000%	0.00
Barclays Bank Plc (NRFB)	5,450,000	0.96%	16/01/2019	16/07/2019	A	0.015%	841.99
Coventry Building Society	5,000,000	0.95%	17/01/2019	17/07/2019	A	0.016%	779.69
Barclays Bank Plc (NRFB)	4,550,000	0.95%	17/01/2019	17/07/2019	A	0.016%	709.52
Lloyds Bank Plc (RFB)	5,000,000	1.00%	25/01/2019	25/07/2019	A+	0.017%	837.44
Thurrock Borough Council	5,000,000	1.00%	11/02/2019	12/08/2019	AA	0.000%	0.00
Bury Metropolitan Borough Council	3,000,000	1.05%	31/08/2018	30/08/2019	AA	0.000%	0.00
Falkirk Council	5,000,000	1.09%	15/02/2019	20/01/2020	AA	0.000%	0.00
Total Investments	£126,710,000	0.97%				0.005%	£6,202.15

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 2009-2018 for Fitch, Moody's and S&P.

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **3.38**

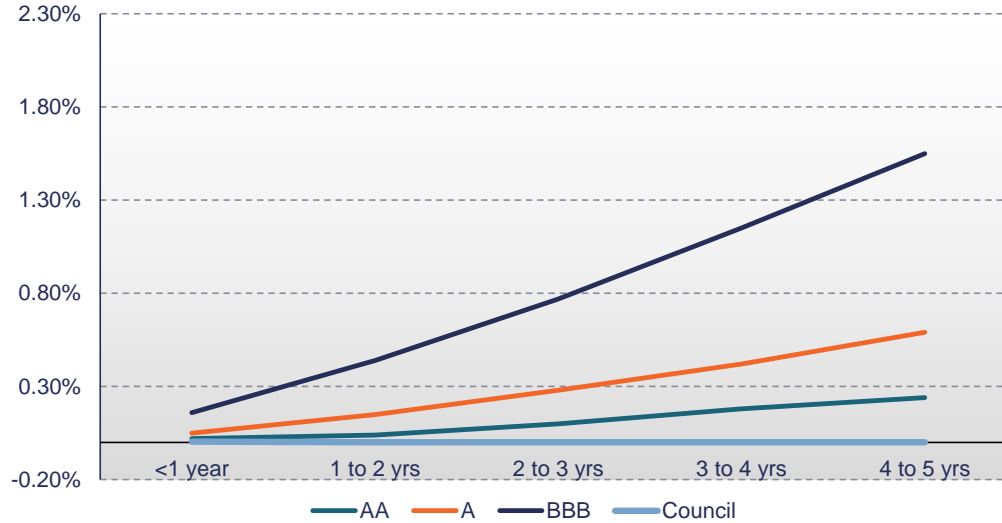
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour		% of Call		Excluding Calls/MMFs/USDBFs			
			in Calls	Amount of Colour in Calls	in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	32.52%	£41,210,000	19.92%	£8,210,000	6.48%	0.95%	84	197	105	246
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	31.57%	£40,000,000	50.00%	£20,000,000	15.78%	1.03%	45	159	90	319
Red	35.91%	£45,500,000	34.07%	£15,500,000	12.23%	0.93%	54	120	82	181
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£126,710,000	34.50%	£43,710,000	34.50%	0.97%	61	157	93	240

Shropshire Council

Investment Risk and Rating Exposure

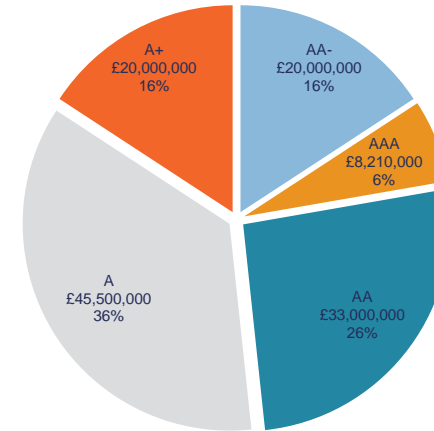
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.10%	0.18%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
Council	0.005%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

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

Chart Relative Risk

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

Rating Exposures

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

Shropshire Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
04/03/2019	1671	Abbey National Treasury Services PLC	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Bank of Scotland PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Barclays Bank PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Barclays Bank UK PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Close Brothers Ltd	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Clydesdale Bank PLC	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Co-operative Bank PLC (The)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	HSBC Bank PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	HSBC UK Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Lloyds Bank Corporate Markets PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Lloyds Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	NatWest Markets PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	Santander UK PLC	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	National Westminster Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1671	The Royal Bank of Scotland PLC (RFB)	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1672	Coventry Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1672	Leeds Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1672	Nationwide Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.

Shropshire Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
04/03/2019	1672	Principality Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1672	Skipton Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1672	Yorkshire Building Society	United Kingdom	The Long Term Rating was removed from Stable Outlook and placed on Negative Watch.
04/03/2019	1673	UBS Ltd.	United Kingdom	Ratings withdrawn as a result of changes to the UBS banking group.

Shropshire Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
04/03/2019	1673	UBS Ltd.	United Kingdom	Ratings withdrawn as result of changes to the UBS banking group.
07/03/2019	1674	Bank of America N.A.	United States	The Long Term Rating was upgraded to 'Aa2' from 'Aa3' and the Short Term Rating was affirmed. At the same time, the Long Term Rating was removed from Positive Watch and placed on Stable Outlook.
28/03/2019	1675	Bank Nederlandse Gemeenten N.V.	Netherlands	The Long Term Rating was upgraded to 'AAA' from 'AA+'. At the same time, the Short Term Rating and Viability Rating were affirmed.

Shropshire Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
04/03/2019	1673	UBS Ltd.	United Kingdom	Ratings withdrawn as result of changes to the UBS banking group.

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Appendix B

Prudential Indicators – Quarter 4 2018/19

Prudential Indicator	2018/19 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	307*	305	305	305	286
HRA CFR	85	85	85	85	85
Gross borrowing	312	318	312	312	312
Investments	100	107	118	130	127
Net borrowing	212	211	194	182	185
Authorised limit for external debt	457	318	312	312	312
Operational boundary for external debt	407	318	312	312	312
Limit of fixed interest rates (borrowing)	457	318	312	312	312
HRA debt Limit	96**	85	85	85	85
Limit of variable interest rates (borrowing)	229	0	0	0	0
Internal Team Principal sums invested > 364 days	50	0	0	0	0
Maturity structure of borrowing limits	%	%	%	%	%
Under 12 months	15	2	1	1	1
12 months to 2 years	15	3	1	1	1
2 years to 5 years	45	5	6	6	6
5 years to 10 years	75	0	0	0	0
10 years to 20 years	100	36	37	37	36
20 years to 30 years	100	23	24	24	27
30 years to 40 years	100	15	15	15	13
40 years to 50 years	100	7	7	7	7
50 years and above	100	9	9	9	9

* Based on period 12 Capital Monitoring report including Shrewsbury Shopping Centres. **removed following Budget announcement Oct 2018

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Capital Financing 2018/19 - Period 12

Prudential Borrowing Approvals	Date Approved	Amount Approved £	Applied (Spent) 2006/07 £	Applied (Spent) 2007/08 £	Applied Outturn 08/09 2008/09 £	Applied Outturn 09/10 2009/10 £	Applied Outturn 10/11 2010/11 £	Applied Outturn 11/12 2011/12 £	Applied Outturn 12/13 2012/13 £	Applied Outturn 13/14 2013/14 £	Applied Outturn 14/15 2014/15 £	Applied Outturn 15/16 2015/16 £	Applied Outturn 16/17 2016/17 £	Applied Outturn 17/18 2017/18 £	Applied Outturn 18/19 2018/19 £	Budgeted 2019/20 £	Budgeted 2020/21 £	Budgeted 2021/22 £	First year MRP Charged	Asset Life	Final year MRP Charged	
Monkmoor Campus	24/02/2006	3,580,000																				
Capital Receipts Shortfall -Cashflow Applied:	24/02/2006	5,000,000																				
Applied: Monkmoor Campus			3,000,000		0																	2007/08 25 2031/32
William Brooks					0						3,580,000											2011/12 25 2035/36
Tem Valley					2,000,000																	2010/11 35 2044/45
		8,580,000	3,000,000	0	2,000,000	0	0	3,580,000	0	0	0	0	0	0	0.00	0	0	0				
Highways	24/02/2006	2,000,000	2,000,000																			2007/08 20 2026/27
Accommodation Changes	24/02/2006	650,000	410,200	39,800																		2007/08 6 2012/13
Accommodation Changes - Saving	31/03/2007	(200,000)																				
		450,000	410,200	39,800	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0				
The Ptarmigan Building	05/11/2009	3,744,000				3,744,000																2010/11 25 2034/35
The Mount McKinley Building	05/11/2009	2,782,000				2,782,000																2011/12 25 2035/36
The Mount McKinley Building	05/11/2009	0																				2011/12 5 2015/16
Capital Strategy Schemes - Potential Capital Receipts shortfall - Desktop Virtualisation	25/02/2010	187,600				187,600										0.00						2010/11 25 2014/15
Carbon Efficiency Schemes/Self Financing	25/02/2010	1,512,442					115,656	1,312,810	83,976							0.00						2011/12 5 2017/18
Transformation schemes		92,635						92,635														2012/13 3 2014/15
Renewables - Biomass - Self Financing	14/09/2011	92,996						82,408	98,258	(87,670)												2014/15 25 2038/39
Solar PV Council Buildings - Self Financing	11/05/2011	56,342						1,283,959	124,584	(1,352,202)												2013/14 25 2038/39
Depot Redevelopment - Self Financing	23/02/2012	0																				2014/15 10 2023/24
Oswestry Leisure Centre Equipment - Self Financing	04/04/2012	124,521						124,521														2012/13 5 2016/17
Leisure Services - Self Financing	01/08/2012	711,197						711,197														2013/14 5 2016/17
Mardol House Acquisition	26/02/2015	4,160,000										4,160,000										2015/16 25 2039/40
Mardol House Adaptation and Refit	26/02/2015	3,340,000										167,640.84	3,172,358.86									2016/17 25 2041/41
Oswestry Leisure Centre Equipment - Self Financing	01/08/2012	300,000												274,239		25,761						2018/19 5 2022/23
The Tannery Development - Student Block		8,020,000													3,677,843.83	4,342,156						2019/20 45 2064/65
Car Parking Strategy Implementation		947,000													588,497.06	358,503						2020/21 5 2024/25
JPUT - Investment in Units re Shrewsbury Shopping Centres		52,523,353												52,731,922	(208,569.18)							2018/19 45 2042/43
Whitchurch Medical Practice (Pauls Moss Development)	26/07/2018	3,778,000														2,000,000	1,678,000	100,000				2021/22 45 2045/46
Previous NSDC Borrowing		955,595			821,138	134,457																2009/10 5/25 2065/66
		94,357,680	5,410,200	39,800	2,821,138	6,848,057	3,695,656	2,896,333	1,018,015	(1,438,872)	4,327,641	3,172,359	0	53,006,161	4,057,771.71	6,726,420.52	1,678,000.00	100,000.00				
								0	0	0	0	0	0	0	0.00	0	0	0				

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<u>Committee and Date</u>	<u>Item</u>
Cabinet	
3 rd July 2019	<u>Public</u>

Quarter 4 Performance Report 2018/19

Responsible: Tom Dodds, Intelligence and Insight Manager

e-mail: tom.dodds@shropshire.gov.uk

01743 258518

1. Summary

- 1.1 This report presents Cabinet with the Council's Performance against its key Outcomes for Quarter 4 2018/19.
- 1.2 The Corporate Plan for 2018/19 and the High Level Outcomes provide the shape and focus of the updated Performance Management Framework. The measures in the framework have been refined to reflect the updated strategic action plans for the year.
- 1.3 The framework is presented with four key outcome areas: Healthy People, Prosperous Economy, Resilient Communities and Commercial Council. The range of performance measures covers a broader range of service areas than previously reported.
- 1.4 The online performance portal has continued to be developed to present performance information to be used in conjunction with this report, and can be accessed here -

<https://shropshireperformance.inphase.com/>
- 1.5 This is part of improving access to performance information and that of data transparency. Member and user feedback will help to inform further developments of performance information, which will form part of the new IT system developments.
- 1.6 The new Corporate Plan 2019/20 to 2021/22 which sets out new priorities for the Council was agreed at Council at their meeting on the 13 December 2018. A revised framework of measures and milestones is being developed to demonstrate impact and progress against these new priorities and will be reported from Quarter 1 of 2019/20.

2. Recommendations

Members are asked to:

- A. Consider the key underlying and emerging issues in the report.

- B. Review the performance portal and identify any performance areas that they would like to consider in greater detail or refer to the appropriate Overview and Scrutiny Committee.

3. Risk Assessment and Opportunities Appraisal

- 3.1 Poor performance could have implications for vulnerable people (including children) who are supported by Council services and economic growth in Shropshire. In turn, there may be significant financial, legal and reputational risk to the Council, Schools (and Academies), and partners from across the public and voluntary and independent care sectors.
- 3.2 Effective monitoring and follow-up against key measures of success provides the opportunity to manage risks and ensure that Children and Young People and vulnerable adults in Shropshire remain safe and achieve the desired outcomes. Increasingly, performance reporting will reflect the impact of commissioning decisions by the Council, linking directly with the management of contracts and building on the current approach of looking at how effective the Council is at delivering its outcomes.

4. Financial Implications

- 4.1 This report does not have any direct financial implications but presents service and financial information to support decision making. Accountable officers and senior managers may use the information to inform actions or interventions for improving service performance and the prioritisation and use of resources.
- 4.2 Full financial details are presented as part of the Financial Reports.

5. Introduction

Each of the four outcome areas contains a number of sub-outcomes with a range of associated performance measures. The frequency of the availability of the data varies from monthly and quarterly updates to annual updates. All measures, regardless of frequency will be available on the performance portal to improve accessibility to information.

Quarterly reports will be used to highlight performance exceptions and changes to measures reported annually.

The refreshed Corporate Plan was approved by Council on 17th May 2018, as a result of this the online performance portal has been updated to reflect the new measures and milestones from quarter 1 2018/19. This report has also been aligned to the new Corporate Plan, focussing on the performance of the new measures and milestones.

6. Healthy People

The sub outcomes for Healthy People are; Improving Public Health, Providing Appropriate Care, Children are Protected for the best Possible Start in Life, Participation in Positive Activities for Health and Well-being and Keeping People Safe.

6.1 Public Health England outcomes data for cancer screening has been updated. Results for Shropshire in the table below show that screening rates for Bowel, Breast and Cervical cancers have remained at similar levels with all being better than the average for England.

	2018	2017	2016	2015
Bowel screening	62.8%	62.7%	60.8%	58.4%
Breast screening	81.5%	82.2%	82.1%	81.5%
Cervical screening	76.6%	77.1%	77.4%	77.6%

Source: NHS Digital (Open Exeter) / Public Health England

6.2 The Delayed Transfer of Care measure was established in April 2017. National targets have been set to reduce the number of patients who are delayed in their transfer from hospital. The aim is to reduce bed blocking to less than 3.5% of all available NHS beds.

The target for the first year (2017/18) for Shropshire Adult Social Care, set by the Department of Health, was to reduce delays attributed to social care by 60%. Performance targets for 2018/19 are to further reduce delays to less than an average of 1.3 delayed patients per day, attributed to Adult Social Care.

Performance for 2018/19 shows that Shropshire Council is achieving this target and is one of the most improved Adult Social Care departments in England, performing within the top quartile. During the year the average daily due to Adult Social Care was 0.32 people. The following table shows the performance improvement across both health and social care to reduce the average patient delays per day for Shropshire residents.

	Daily delays - NHS	Daily delays - ASC	Daily delays – Both NHS & ASC	Total Delays per day	Annual delayed days - all
2014/15	17.05	5.93	3.33	26.32	9,607
2015/16	17.85	10.46	5.96	34.28	12,511
2016/17	17.19	14.61	7.93	39.74	14,504
2017/18	14.12	4.19	2.93	21.25	7,755
2018/19	9.26	0.32	0.81	10.39	3,792

Source: NHS Digital

6.3 The overall aim of a Child Protection Plan is to ensure the child is safe and prevent further harm. Numbers of Children with a Child Protection Plan are continually monitored to ensure children have the right support to promote welfare, health and development.

The rate of Child Protection Plans per 10,000 children aged under 18 increased between quarter 3 (47.9) and quarter 4 (53.9) – Shropshire's rate is now higher than both the Statistical Neighbourhood rate and England Average. (As at March 2018).

The service reports that demand has increased across all areas of the service, including demand for referrals, assessments, S47 enquires and children progressing to a child protection plan. There is a correlation between this increase

and the increase in numbers of looked after children as child protection planning is often the start of a child's journey into the care of the local authority. We are currently focused on what more we can do to mitigate against and address risk so that cases do not escalate into court proceedings and the child becoming looked after.

- 6.4 The rate of Looked After Children per 10,000 children aged under 18 has risen during quarter 4 to 64.8 from 61.6 at the end of quarter 3 2018/19. This places Shropshire higher than Statistical Neighbours (57.4), and similar to the last reported the national average (64). (As at March 2018.)

We have seen an increase in children becoming looked after over last year. Children in need of accommodation due to safeguarding concerns has continued. Those concerns can include overall neglect, physical abuse, domestic abuse within the household, substance misuse and parental mental ill health.

As such there has been an increase in the number of care proceedings being initiated during 2018/19. The majority of children entering the care system do so subject to court proceedings. All children entering care are subject to senior management approval and the relevant services closely monitor and track all children who can leave the care system.

- 6.5 Participation in positive activities is beneficial for both physical and mental well-being. Participation rates have been mainly positive with increased visitors to leisure centres, outdoor recreation sites, visitor attractions, Theatre Severn and the Old Market Hall.
- 6.6 There has been a welcome increase in visitors to libraries, this follows a long-term decrease. Visitor numbers for the year to March 2019 were 918,755 compared to 902,231 in March 2018.

The library service continues to develop new services and initiatives to encourage use of its facilities and online materials. Usage of the cloudLibrary e-book system has doubled to over 24,000 loans and the e-audio has quadrupled to over 4,800 loans. Over 1000 new users have registered for the cloudLibrary service. There has also been increased usage of the RB Digital e-magazines with over 26,000 issues read and also with Press Reader with over 16,000 e-magazines and e-newspapers read.

- 6.7 The number of patrons at Theatre Severn has continued to increase with annual attendance for 2018/19 increasing by 8% to almost 200,000. A total of 199,632 patrons attended in the year to March 2019 compared to 184,810 in the year to March 2018. The increase can be attributed to a number of sell out productions and are the theatre is proud to bring more big touring shows than ever before to Shrewsbury. The Theatre was awarded a What's On Readers Award, and also Gold in the Shrewsbury Mayor's Award for the Tourism category.
- 6.8 The total annual number of visitors to visitor attractions in Ludlow, Much Wenlock, Acton Scott, Shrewsbury Castle and Shrewsbury Museum has slightly decreased to 179,079 at quarter 4 2018/19 compared to 182,803 at quarter 4 2017/18. The slight reduction in visitor numbers is attributed to the Easter holiday period which fell into a different reporting period.

- 6.9 Keeping safe measures show that retail food and drink premises in Shropshire continue to maintain high food safety standards. Based on nationally published information, 99% of food retail premises are rated as generally satisfactory or higher
- 6.10 As identified and detailed in previous Corporate Performance reports the number of people reported as Killed or Seriously Injured (KSI) on the roads in Shropshire has continued to increase over the past 3 years. Whilst accident rates have remained similar the annual average for people seriously or fatally injured over the past 3 years has increased to an annual rate of 170 people.

A new approach to the determining of the severity of casualties was introduced in December 2015 and now relies less on the judgement of Police Officers. This has seen a national increase in the rate of reported severity. The 3-year cycle of the new reporting methodology is now complete. It is expected that the reported number of KSI will now stabilise and will start to show an improvement over the next 3-year reporting period.

It should be noted that the number of casualties does not reflect the number of accidents which have remained at similar levels throughout the period.

7. Prosperous Economy

The sub outcomes for Prosperous Economy are; Educational Achievement, Employment and Training, Employment and Income, Transports, Physical and Digital Infrastructure, Housing is provided to meet the Needs of Shropshire Residents and Developing a Prosperous Economy.

- 7.1 The Council's performance measures for broadband only cover premises in the Shropshire Council area where State Aid approval has been granted to invest. This is known as the Intervention Area. The area accounts for approximately half of the premises (circa 72,000) in the Shropshire Council area, and includes 3 contracts, with 2 partners, BT and Airband. All remaining areas, and new premises are the responsibility of the commercial market to deliver to, not the Local Authority. Commercial providers in Shropshire include Virgin Media, BT, and Secure Web Services.

The following contracts are in the Council's control:

- Contract 1 - (BT) deployment completed in spring 2017 and resulted in an extra 52,453 premises getting access to superfast broadband;
- Contract 2 - (BT) commenced in autumn 2016, approximately 4,000 premises are expected to benefit from this contract by 2019;
- Contract 3 - (Airband) commenced in spring 2017, and will connect 14,000 premises with superfast broadband by 2020.

At the end of all of the Council's contracts, assuming that all other commercial broadband is delivered as expected and all new premises are connected, the Council anticipates that 98% of Shropshire premises will have access to superfast broadband.

Shropshire Council continues to be fully committed to the aspirations of connecting all our premises to superfast broadband.

- 7.2 The annual SCANNER road conditions survey was conducted last year to determine and prioritise planned road maintenance and resurfacing schedules. This does not affect highway inspection regimes to identify highway faults.

The latest results show that increased levels of maintenance should be considered when compared to the previous year for non-principal classified roads. Maintenance should be considered for 12% of non-principal roads compared to 9% in 2017. Maintenance for principal roads has remained at 4% as in 2017. This data demonstrates that capital expenditure on the highways network needs to be reviewed in order to arrest and improve this indicator. Recent investment from the Department of Transport in 2018 / 2019 of £7.3 million has been delivered and is not included within this data, however long-term sustainable funding to improve this indicator is key as financial investment over time is key to improving highway assets.

- 7.3 Being young and unemployed can lead to an increase in the risk of poverty, de-skilling and social exclusion as well as cause loss of motivation and mental health problems. Current rate of claimants for Job Seekers Allowance or Universal Credit actively seeking work in Shropshire is below the regional and national averages. The claimant count for young people (aged 18 – 24) saw a continued reduction from the peak in February 2013 when there were 1370 claimants to a low of 430 in Feb 2017. The number of claimants had remained fairly constant but has shown increases in the number of young claimants during the past 12 months with figures climbing to 665 in March 2019. Source: ONS Claimant Count by Age and Sex

8. Resilient Communities

The sub outcomes for Resilient Communities are; A Clean and Attractive Environment is Maintained, Volunteering, People are Supported to Stay in their Local Communities, Adult Social Care user feedback.

- 8.1 The projected Recycling and Composting rate for quarter 4 2018/19 is 54.7%. This shows a very slight improvement when compared to 53.9% for quarter 4 2017/18. National results for 2017/18 are now available and show that recycling rates for Shropshire are within the top quartile for English authorities.

The long-term trend shows that recycling rates continue to improve gradually, albeit with seasonal variations.

- 8.2 Shropshire has an active volunteer community who help to provide essential support to help make Shropshire an attractive and welcoming county. Whilst reflecting only a small part of the volunteering that takes place in Shropshire the volunteer hours reported here were given to support the Outdoor Recreation service, Libraries, Archives and Visitor Attractions in Shropshire. During quarter 4 19,345 volunteer hours were provided to support services.

9. Commercial Council

- 9.1 Revenue spend figures for quarter 4 of 2018/19 were reported to Cabinet on 22nd May 2019. The outturn for the financial year shows a slight underspend of £0.167m on a gross budget of £561.95m. This represents an improved performance from earlier reports which had forecast a potential overspend. Actions were taken to

improve and manage the financial position, including a spending freeze. Full details can be viewed in the papers reported to Cabinet.

- 9.2 The number of Full Time Equivalent (FTE) employees as at the end of quarter 4 is 2547 compared 2,548 as at quarter 3 2018/19. Previous end of year FTE numbers are shown in the table below.

2018	2547
2017	2474
2016	2661
2015	2876
2014	3089
2013	3552

- 9.3 The number of complaints for quarter 4 was 324 of which 283 were corporate complaints, 27 statutory adult and 14 statutory children. The main source of corporate complaints is for waste management and highways. The number of compliments for quarter 4 was 108. Whilst complaints must be formally reported in line with the Council's procedures there are no such requirements to report compliments. As a result variations in performance could be as a result of recording practice.

Quarter	Compliments Total	Complaints Statutory Children's	Complaints Statutory Adults	Corporate Complaints	Total Complaints
Quarter 1 2017/18	145	13	45	176	234
Quarter 2 2017/18	131	26	40	255	321
Quarter 3 2017/18	113	8	40	204	252
Quarter 4 2017/18	149	13	39	236	288
Quarter 1 2018/19	112	13	43	299	355
Quarter 2 2018/19	141	7	44	252	303
Quarter 3 2018/19	99	12	36	251	299
Quarter 4 2018/19	108	14	27	283	324

10. Conclusion

- 10.1 This performance report provides an update on the results achieved and the impact on delivering the outcomes for Shropshire.

10.2 Performance for quarter 4 of 2018/19 has generally been positive with continued improvements or stabilisation of performance.

- Adult Social Care has managed to sustain improvement levels in the timely transfer of patients from hospital to appropriate care settings.
- Recycling rates for household waste in Shropshire are within the top quartile of performers amongst English Authorities.
- Financial management has seen an improvement in the budget with an end of year underspend of £167,000 against a gross expenditure budget of £561,950,000

In addition to these improvements there are challenges to be faced, and these are being managed by the relevant service areas.

- The demand on children's social care services is increasing across all service areas. This is placing additional pressure on services and budgets.
- Road casualty numbers have increased over the past 3 years following changes to recording methods. Close scrutiny of figures needs to be maintained now that the rolling 3-year cycle has ended, it is expected that rates will stabilise and then improve.
- Road conditions survey results show that a higher percentage of non-principle roads should be considered for road maintenance.

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

Business Plan and Financial Strategy 2018/19 – 2022/23

Corporate Plan 2018/19

Cabinet Member (Portfolio Holder)

Cllr Steve Charmley - Portfolio Holder for Corporate Support

Local Member All

Appendices <https://shropshireperformance.inphase.com/>



<u>Committee and Date</u>
Cabinet

<u>Item</u>
Public

PRIVATE RENTED SECTOR HOUSING ENFORCEMENT POLICY INTRODUCING CIVIL PENALTIES AND RENT REPAYMENT ORDERS

Responsible Officer Karen Collier, Regulatory Services Operations Manager
e-mail: karen.collier@shropshire.gov.uk Tel: 01743 251711 Fax

1. Summary

- 1.1 A “Private Rented Sector Housing Enforcement Policy” was approved for consultation by Cabinet on 16th January 2019. The Policy was drafted to reflect the new powers that have been given to local authorities under the Housing and Planning Act 2016 to impose civil penalties of up to £30,000 as an alternative to prosecution and the extension of rent repayment orders,
- 1.2 A public consultation was carried out between 14th February 2019 to 11th April 2019.
- 1.3 The consultation feedback has been considered and the proposed policy for approval is detailed in Appendix 1.

2. Recommendations

- 2.1 That Cabinet considers and approves the introduction of the “Private Rented Sector Housing Enforcement Policy”.

REPORT

3. Risk Assessment and Opportunities Appraisal

(NB This will include the following: Impact on Children and Vulnerable Adults, Risk Management, Human Rights, Equalities, Community and other Consultation)

- 3.1 Section 126 of The Housing and Planning Act 2016 allows financial penalties to be imposed as an alternative to prosecution for certain offences as set out in Schedule 9 of the Act. Schedule 9 in turn amends the Housing Act 2004 including providing a new Section 249A which has the financial penalties as an alternative to prosecution. The details of the offences to which a civil penalty may be imposed are as set out in section 5.2 of the policy.

- 3.2 The Private Rented Sector Housing Enforcement Policy (together with the Council's Better Regulation & Enforcement Policy which is already in place) will help improve housing conditions and the life chances of people, including those with protected characteristics such as people with disabilities and families with children. They will therefore have a positive impact on Equality and Diversity.
- 3.3 The Council cannot issue civil penalties or rent repayment orders without a Private Rented Sector Housing Enforcement Policy in place which will limit the Council's powers to improve housing conditions.
- 3.4 A First-Tier Tribunal has the power to quash, confirm, increase or reduce the civil penalty and the civil penalties regime is currently untried and untested. However, the Government has made it clear that offenders must not derive any financial benefit from their offences and it has briefed the Tribunals on what is expected of them.
- 3.5 Another key risk is that, if there is a substantial increase in the number of investigations, this is likely to result in a corresponding pressure on the existing staffing resources.
- 3.6 An Equality and Social Inclusion Impact Assessment (ESIIA) has been undertaken (see Appendix 2).

4. Financial Implications

- 4.1 The Housing and Planning Act 2016 specifies that all the income that a local authority receives from the imposition of Civil Penalties and the recovery of Housing Benefit through Rent Repayment Orders can be retained by the local authority to further its statutory enforcement functions in relation to the private rented sector.
- 4.2 However, any income that a local authority receives from Civil Penalties and Rent Repayment Orders but fails to spend in support of one of the activities listed above must be paid into a Central Government Consolidated Fund.
- 4.3 A First-Tier Tribunal would consider any appeal against the imposition of a civil penalty or a request (from tenants or the local authority) for a rent repayment order. In both situations, an unfavourable outcome may affect the Council's income.

5. Background

- 5.1 Regulatory Services regulate private rented accommodation to ensure it is safe to live in and free from health and safety hazards. Houses in multiple occupation (HMO) must be licensed and follow extra rules around health and safety.
- 5.2 Although Shropshire has some excellent landlords and letting agents, there are criminal, rogue and irresponsible landlords who knowingly rent out accommodation that is unlicensed, substandard and or unsafe.
- 5.3 A public consultation detailing the Council's proposed "Private Sector Housing Enforcement Policy" was held for 8 weeks between 14 February 2019 and 11th April 2019. The Consultation was active on the Shropshire Council Website during that time and was open to the public and all stakeholders to put forward their comments.

The draft policy was also discussed with landlords at the Shropshire Branch meeting of the National Landlords Association on 4th March 2019.

5.4 Only one consultation response, from Shropshire Council Housing Services, was received. They suggested:

- *Including a reference to the new Homes (Fitness for Human Habitation) Act 2018 in the policy.*

Response: The Homes (Fitness for Human Habitation) Act 2018 came into force in March 2019 and allows tenants to take action against their landlords rather than relying on their Council. However, this new law does not protect tenants from revenge evictions. It is possible for a tenant to take their own action under the Homes (Fitness for Human Habitation) Act 2018 even if the local authority uses its powers under the 2004 act. Reference to these powers will be provided on Shropshire Council's webpages but will not be included in the policy as the decision for the Council or the tenant to take action are completely independent.

- *Housing Services also recommended that an explanatory appendix on the Housing, Health and Safety Rating is included in the policy.*

Response: This has been added to the policy at Appendix A.

5.5 The policy sets out enforcement criteria regarding private rented sector housing which supplements the generic approach to enforcement described in the Council's existing Better Regulation and Enforcement Policy.

5.5 The Government has pledged to crack down on rogue landlords and has introduced several measures, under the Housing and Planning Act 2016, to help local authorities deal more robustly with criminal, rogue and irresponsible landlords:

- **Civil penalties of up to £30,000** as an alternative to prosecution for certain specified offences;
- **Extension of rent repayment orders** to cover illegal eviction, breach of a banning order, failure to comply with an improvement notice and certain other specified offences;
- **Database of rogue landlords and property agents** who have been convicted of certain offences or received multiple civil penalties; and
- **Banning orders** for the most serious and prolific offenders.

5.6 The maximum civil penalty that can be imposed for an offence is £30,000, but it is for the Council to determine the level of civil penalty. A method for determining the civil penalty amount is proposed in the policy.

6. Additional Information

6.1 The policy also sets out supplementary private rented sector housing enforcement activities including the licensing of houses in multiple occupation (HMO).

6.2 The Housing and Planning Act 2016 extended mandatory HMO licensing, so HMOs occupied by five or more people, in two or more households, must obtain a licence,

irrespective of the number of storeys of the property. This is a mandatory legal requirement.

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

Cabinet Report 16th January 2019 Item 32 “Draft Private Rented Sector Housing Enforcement Policy Introducing Civil Penalties and Rent Repayment Orders for Consultation”

Cabinet Member (Portfolio Holder)

Councillor Robert Macey

Local Member

N/A – countywide.

Appendices

1. Private Rented Sector Housing Enforcement Policy
2. Equality Social Inclusion Impact Assessment (ESIIA)

APPENDIX 1: Private Rented Sector Housing Enforcement Policy

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- 1.0 Introduction**
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- 13.0 Housing Associations / Registered Social Landlords**
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1.0 Introduction

- 1.1 Shropshire Council's Regulatory Services is committed to improving standards in private rented sector housing, bringing empty homes back into use and ensuring private rented accommodation is well managed, properly maintained and safe and habitable.
- 1.2 The private rented sector plays an important role in the County's housing market. Shropshire Council shares the Government's desire to support good landlords and agents who provide decent well-maintained homes and to crack down on unscrupulous landlords who are flouting the law and seeking profit from their non-compliance.
- 1.3 Shropshire Council is keen to strike the right balance on regulation in order to avoid stifling investment in this sector. A small number of rogue or criminal landlords knowingly rent out unsafe and substandard accommodation. The Council is determined to create a level playing field for all landlords by dealing robustly with criminal, rogue and irresponsible landlords.
- 1.4 We provide advice and guidance to assist landlords and property agents in complying with their legal requirements.
- 1.5 We advise tenants of their rights and obligations and how they can try and resolve a situation prior to any involvement being required by the Council. We expect private tenants to contact their landlord to report any issues before contacting us. This ensures that landlords are aware of issues and gives them an opportunity to resolve them. We have more information on how to report issues on [our website](#). Where works are needed we would expect tenants to co-operate with the landlord to facilitate the repair. Social tenants are expected to go through the complaints' procedure of the relevant Housing Association prior to any involvement being required by the Council.
- 1.6 The Housing and Planning Act 2016 introduced the following measures to crack down on criminal, rogue and irresponsible landlords:
 - Civil penalties of up to £30,000 as an alternative to prosecution for certain specified offences;
 - Extension of rent repayment orders to cover illegal eviction, breach of a banning order, failure to comply with an improvement notice and certain other specified offences;
 - Database of rogue landlords and property agents who have been convicted of certain offences or received multiple civil penalties;
 - Banning orders for the most serious and prolific offenders.

2.0 Purpose and Scope of this Policy

- 2.1 This policy sets out enforcement criteria regarding private rented sector housing which supplements the generic approach to enforcement described in the Council's Better Regulation and Enforcement Policy.
- 2.2 This policy is aimed at the regulation of the private rented sector which will include housing association properties except those owned by Shropshire Council.
- 2.3 The supplementary private rented sector housing enforcement activities set out in this policy include the licensing of houses in multiple occupation (HMO), the service of statutory notices as well as the following measures introduced by the Housing and Planning Act 2016 which aim to tackle rogue landlords and improve the private rental sector:
- Civil penalties which can be used as an alternative to prosecution,
 - Banning Orders for the most prolific offenders
 - Database of rogue landlords/property agents.
 - Rent Repayment Orders (RROs).
- 2.3 This policy takes into account the statutory guidance that has been issued by the Government under Schedule 9 and Section 41 of the Housing and Planning Act 2016.

3.0 Regulation of Private Rented Sector Housing

- 3.1 Regulatory Services respond to complaints from tenants and other residents about private rented sector housing, prioritising the complaints based on an assessment of the risk and seriousness. If enforcement action is necessary, a variety of regulatory powers may be used to address and resolve the problem.
- 3.2 Housing issues will primarily be dealt with under the Housing Act 2004 but this is not exclusive and where circumstances are appropriate, other legislation will be used such as:
- Environmental Protection Act 1990: we will use this where a property defect is considered prejudicial to health or causing a nuisance
 - Building Act 1984: we will use this to tackle drainage issues and dangerous buildings or building elements (in collaboration with the Building Control Team)
 - Smoke and Carbon Monoxide Alarm (England) Regulations 2015: we will use this where there is a lack of smoke alarm or where there is no carbon monoxide detector in a room with a solid fuel burning appliance.
- 3.3 The Housing, Health and Safety Rating System (HHSRS) is set out in Part 1 of the Housing Act 2004 (see Appendix A). It is a method of assessing how likely it is that the condition of a property will cause an unacceptable hazard to the health of the occupant(s). There are two categories of possible hazards:
- Category 1 hazards represent a serious danger to health and the Council has a duty to take appropriate action to deal with these.

- Category 2 hazards represent a lesser danger and, although it has no duty to take action, the Council will exercise its power to reduce category 2 hazards through appropriate action.
- 3.4 The HHSRS is an evidence-based risk assessment procedure which considers any one of 29 hazards that may be present in a dwelling. The risk that any such hazard may impact on the most vulnerable, potential occupant of that dwelling is then used to generate a score. These scores are categorised to determine the consistent level of duty the Council has with regards to the seriousness of hazards that can cause harm in dwellings and then what enforcement action is the most proportionate and suitable in each case.
- 3.5 The approach followed by Regulatory Services when making decisions in respect of enforcement decisions is set out in the Council's Better Regulation and Enforcement Policy. We aim to achieve compliance through advice, this policy provides supplementary enforcement information in relation to private rented sector housing provisions.
- 3.6 Charges will be made for any formal enforcement action that the Council takes based on cost recovery for officer time (see Council's fees and charges for further information).

Statutory Notices

- 4.1 Following an inspection and subsequent assessment, where the rating shows that there are hazards which are classed as Category 1, the Council is under a duty to take appropriate enforcement action. Where the rating shows the hazard is classed as Category 2, the Council is not under a duty to take action but it may still do so where it is deemed necessary and proportionate to the hazard.

- 4.2 The forms of appropriate enforcement action that can be taken are as follows:

For Category 1 Hazards:

- Emergency remedial action under (Housing Act 2004, Section 40)
- Emergency prohibition order (Housing Act 2004, Section 43)

For Category 1 or Category 2 Hazards:

- Improvement notice (Housing Act 2004, Section 11 & Section 12)
- Prohibition order (Housing Act 2004, Section 20 & Section 21)
- Hazard awareness notice (Housing Act 2004, Section 28 & Section 29)
- Demolition order (Housing Act 1985, Section 265(1) & Section 265(2))
- Declaring the area in which the premises concerned are situated to be a clearance area (Housing Act 1985, Section 289(2))

- 4.3 Where the issuing of a Notice is considered necessary, Section 49 of the Housing Act 2004 permits Local Authorities to make a reasonable charge for such Notices as a means of recovering certain administrative and other expenses incurred. The decision to impose this charge and the amount will be dependent on how much time the Officer has spent in resolving the issue with the landlord. We always want to resolve issues as quickly as we can and the co-operation of the landlord is very much a factor on amount of administration expense incurred. Section 50 of the

Housing Act 2004 gives us the powers to recover this expense. A charge can be placed as a Local Land Charge on the premises to which it relates. This is recorded in the register of local land charges kept by the Council. This register is normally searched during a property sale by purchasers.

5.0 CIVIL PENALTIES

- 5.1.0 Section 126 and Schedule 9 of the Housing and Planning Act 2016 gives Local Authorities the power to impose civil penalties (financial penalties) of up to £30,000 on individuals and organisations, as an alternative to prosecution, for certain Housing Act 2004 offences.
- 5.1.1 If the Council believes that it has a reasonable prospect of a conviction in a particular case, it will always consider a civil penalty in the first instance and only by exception will it seek alternative measures such as prosecution or formal cautions.
- 5.1.2 Cases put forward for Civil Penalties, in preference to prosecution, will still have to satisfy the Council that there is a realistic prospect of conviction should the decision have been to take a prosecution for the case. The case would still be required to meet the evidential and public interest elements required.
- 5.1.3 Any money received from Civil Penalties is retained by the Council and then must be specifically utilised to support the work of the team in enforcing standards in the Private Rented Sector.

5.2 Housing offences covered by civil penalties

- 5.2.1 The power given to local authorities to impose a civil penalty, as an alternative to prosecution for certain specified housing offences, was introduced by section 126 and Schedule 9 of the Housing and Planning Act 2016.
- 5.2.2 Civil penalties are intended to be used against landlords who are in breach of one or more of the sections of the Housing Act 2004 listed below:
- Section 30 - Failure to comply with an Improvement Notice
 - Section 72 - Offences in relation to licensing of Houses in Multiple Occupation
 - Section 95 - Offences in relation to licensing of houses under Part 3 of the Act
 - Section 139 - Offences of contravention of an overcrowding notice
 - Section 234 - Failure to comply with management regulations in respect of Houses in Multiple Occupation
- 5.2.3 Although only one civil penalty can be issued (as an alternative to prosecution) for each of the first 4 offences listed in paragraph 4.2.2 above, a civil penalty can be issued for each separate breach of the HMO Management Regulations.

5.3 Factors to be considered to determine the level of civil penalty

5.3.1 In order to ensure that the civil penalty is set at an appropriate level, local housing authorities should consider the following factors set out in the Statutory Guidance issued by the Department for Communities and Local Government in April 2017:

a) The severity of the offence

The more serious the offence, the higher the civil penalty should be.

b) The culpability and track record of the offender

A higher penalty will be appropriate where the offender has a history of failing to comply with their obligations and/or their actions were deliberate and/or they knew, or ought to have known, that they were in breach of their legal responsibilities. Landlords are running a business and should be expected to be aware of their legal obligations.

c) The harm caused to the tenant

The greater the harm or the potential for harm, the higher the civil penalty will be.

d) The punishment of the offender

A civil penalty should not be regarded as an easy or lesser option compared to prosecution. While the penalty should be proportionate and reflect both the severity of the offence and whether there is a pattern of previous offending, it is important that it is set at a high enough level to help ensure that it has a real economic impact on the offender and demonstrates the consequences of not complying with their responsibilities.

e) Whether it will deter the offender from repeating the offence

The ultimate goal is to prevent any further offending and help ensure that the landlord fully complies with all of their legal responsibilities in future.

f) Whether it will deter others from committing the offence

While the fact that someone has received a civil penalty will not be in the public domain, it is possible that other landlords in the local area will become aware through informal channels when someone has received a civil penalty. An important part of deterrence is the realisation that (a) the local housing authority is proactive in levying civil penalties where the need to do so exists and (b) that the level of civil penalty will be set at a high enough level to both punish the offender and deter repeat offending.

g) Whether it will remove any financial benefit the offender may have obtained as a result of committing the offence

The guiding principle here should be to ensure that the offender does not benefit as a result of committing an offence, i.e. it should not be cheaper to offend than to ensure a property is well maintained and properly managed.

5.4 Determining the Civil Penalty Amount

5.4.1 The table below provides an indication of the level of fine that is likely to be appropriate taking into account both culpability and harm.

HARM	HIGH	£15,000 - £19,999	£20,000 - £24,999	£25,000 - £30,000
	MEDIUM	£10,000 - £14,999	£15,000 - £19,999	£20,000 - £24,999
	LOW	£0 - £4,999	£5,000 - £9,999	£10,000 - £14,999
		LOW	MEDIUM	HIGH
		CULPABILITY		

5.4.2 £30,000 is the maximum level of fine permitted under the legislation.

5.4.3 The starting point in each band will be the mid-point i.e. for Band 1 the mid-point will be £2,500.

5.4.4 The penalty may be increased by £1,000 for each aggravating factor up to a maximum of the top of the band level determined above.

5.4.5 The penalty may be decreased by £1,000 for each mitigating factor up to a maximum of the bottom of the band level determined above.

5.4.6 When considering aggravating and mitigating factors the civil penalty imposed must remain proportionate to the offence.

5.4.7 An offender will be assumed to be able to pay a penalty up to the maximum amount unless they can demonstrate otherwise.

5.4.8 In determining the level of harm the Council will have regard to:

- The person i.e. physical injury, damage to health, psychological distress
- To the community i.e. economic loss, harm to public health
- Other types of harm i.e. public concern/feeling over the impact of poor housing conditions on the local neighbourhood

The nature of harm will depend on the personal characteristics and circumstances of the victim e.g. tenant.

5.4.9 Where no actual harm has resulted from the offence the Council will consider the relative danger that persons have been exposed to as a result of the offender's conduct, the likelihood of harm occurring and the gravity of harm that could have resulted.

5.4.10 Factors that indicate a higher degree of harm include:

- Multiple victims
- Serious or psychological effect on the victim
- Victim is particularly vulnerable

5.4.11 Examples of Harm Categories

High	Housing defect giving rise to the offence poses a serious and substantial risk of harm to the occupants and/or visitors; e.g. danger of electrocution, carbon monoxide poisoning or serious fire safety risk
Medium	Housing defect giving rise to the offence poses a serious risk of harm to the occupants and/or visitors; e.g. falls between levels, excess cold, asbestos exposure
Low	Housing defect giving rise to the offence poses a risk of harm to the occupants and/or visitors; e.g. localised damp and mould, entry by intruders

5.4.12 In determining culpability the Council will have regard to 4 levels of culpability.

Where the offender:

- Has the **intention** to cause harm, the highest culpability where an offence is planned
- Is **reckless** as to whether harm is caused i.e. the offender appreciates at least some harm would be caused but proceeds giving no thought to the consequences, even though the extent of the risk would be obvious to most people.
- Has **knowledge** of the specific risks entailed by their actions even though they do not intend to cause the harm that results.
- Is **negligent** in their actions.

5.4.13 Examples of culpability

High (Deliberate Act)	An intentional breach by a landlord or property agent or flagrant disregard for the law. For example, by failing to comply with a notice or regulations.
High (Reckless Act)	An actual foresight of, or wilful blindness to the risk of offending, but decides to take the risk nevertheless. For example, failing to comply with a strict liability in the HMO regulations.
Medium (Negligent Act)	The failure of the landlord or property agent to take reasonable care to put in place and enforce proper systems for avoiding the offence. For example, partial compliance with a schedule of work to an enforcement notice but failure to fully comply with all schedule items.
Low (Low or no culpability)	The offence committed has some fault on the part of the landlord or property agent but there are other circumstances for example obstruction by the tenant to allow a contractor access for repairs, or damage caused by tenant negligence.

6.0 RENT REPAYMENT ORDERS

- 6.1 Rent Repayment Orders were introduced by the Housing Act 2004 to cover situations where a landlord had failed to obtain a licence for a property where one is required.

- 6.2 The use of these Orders has now been extended by the Housing and Planning Act 2016 to cover a wider range of offences. These are outlined below:
- Failure to comply with an Improvement Notice served under the Housing Act 2004
 - Failure to comply with a Prohibition Order served under the Housing Act 2004
 - Breach of a Banning Order made under the Housing and Planning Act 2016
 - Illegal eviction or harassment of the occupiers of a property under the Protection of Eviction Act 1977
 - Using violence to secure entry to a property under the Criminal Law Act 1977
- 6.3 Rent repayment orders can be granted to either the tenant or the local authority. If the tenant paid their rent themselves, then the rent must be repaid to the tenant. If rent was paid through Housing Benefit or through the housing element of Universal Credit, then the rent must be repaid to the local housing authority. If the rent was paid partially by the tenant with the remainder paid through Housing Benefit/Universal Credit, then the rent should be repaid on an equivalent basis
- 6.4 A rent repayment order can be made against a landlord who has received a civil penalty in respect of an offence, but only at a time when there is no prospect of the landlord appealing against that penalty.
- 6.5 The Council must consider a rent repayment order after a person is the subject of a successful civil penalty and in most cases the Council will subsequently make an application for a rent repayment order to recover monies paid through Housing Benefit or through the housing element of Universal Credit.
- 6.6 The Council will also offer advice, guidance and support to assist tenants to apply for a rent repayment order if the tenant has paid the rent themselves.
- 6.7 Where a landlord has been convicted of the offence to which the rent repayment order relates the First-tier Tribunal must order that the maximum amount of rent is repaid, capped at a maximum of 12 months.
- 6.8 An Order can also be applied for where an offence has been committed but a landlord has not been convicted of one of the above offences. In this instance the First-tier Tribunal will need to be satisfied beyond reasonable doubt that the landlord has committed the offence. In this instance when considering how much rent should be recovered the following factors should be taken into consideration:
- The Rent Repayment Order should have a real economic impact on the offender and demonstrate the consequences of not complying with their responsibilities
 - The level of the penalty should be such that it is likely to deter the offender from repeating the offence
 - The imposition of the Order will be in the public domain so robust and proportionate use of them will dissuade others from committing similar offences

- Removal of any financial benefit the offender may have obtained as a result of committing the offence

7.0 BANNING ORDERS

7.1 The Housing and Planning Act 2016 gives Councils the option of applying for a Banning Order to prevent a person from managing rented property, where they have been prosecuted for a relevant offence.

7.2 In deciding whether to apply for an Order the following will be considered:

- The seriousness of the offence to which the person has been convicted
- Any previous convictions the person has for a banning order offence
- Whether the person has at any time been included in the database of rogue landlords and property agents
- The likely effect of the banning order on the person and anyone else who may be affected by the order

7.3 Banning Orders must be for a minimum of 12 months except for certain exemptions.

7.4 Any person who is subject to a Banning Order may not hold a HMO licence.

8.0 DATABASE OF ROGUE LANDLORDS AND LETTING AGENTS

8.1 The database will contain details of landlords and property agents who have been convicted of a Banning Order offence or have received two or more civil penalties by any Local Authority, in any 12-month period.

Banning order offences are specified in legislation and can be for landlords or property agents who have been convicted of particular serious offences and/or are repeat offenders.

A number of offences set out in the regulations are not directly related to housing, such as fraud, sexual assault, misuse of drugs, theft and stalking. To result in a banning order such an offence must be committed:

- against or in collusion with her/his tenant or licensee (or member of her/his household) or at (or in relation to) the property let out, and
- at a time when the offender was a landlord or property agent of that property, and
- by an offender who was sentenced in the Crown Court.

The offence can also be for relevant housing offences including any offence under the Housing Act 2004, committing or causing overcrowding, providing a local authority with false or misleading information, continuing to let to illegal immigrants, or illegally evicting or harassing as residential occupier.

8.2 Their details can be entered on the National Database of Rogue Landlords and Property Agents. This national database is an important tool to assist local authorities and prospective tenants identify landlords who have failed to maintain their properties to the required standard.

9.0 Powers of Entry

9.1 Authorised officers have a power of entry to properties at any reasonable time to carry out its duties under Section 239 of the Housing Act 2004 provided that they have given 24 hours' notice to the owner (if known) and the occupier (if any) of the premises they intend to enter. These duties are:

- Enter a property to carry out an inspection
- Take any appropriate persons with them
- Take equipment or materials with them
- Take measurements, photographs or make recordings
- Take samples of articles or substances

9.2 If admission is refused, then a warrant may be granted by a Justice of the Peace on written application. A warrant under this section includes power to enter by force, if necessary.

9.3 No notice is required where entry is to ascertain whether an offence has been committed under certain sections of the Act relating to HMO's.

10.0 Licensing of Houses in Multiple Occupation

10.1 The Housing Act 2004 introduced a mandatory licensing system for certain types of Houses in Multiple Occupation (HMO). The aim of licensing is to ensure that every licensable HMO is safe for the occupants and visitors and is properly managed.

10.2 An HMO is a house or flat that is occupied as a main residence, by more than one household, where occupiers share facilities such as kitchens, bathrooms and WCs. This would include, for example, houses containing bedsits, a combination of bedsits and self-contained flats where the bedsits share facilities, and also shared houses and hostels. In addition, houses entirely converted into self-contained flats not in strict compliance with the Building Regulations 1991, with at least one third occupied as flats on short tenancies are classed as HMOs.

10.3 Since 1st October 2018, the Housing and Planning Act 2016 extends mandatory HMO licensing, so HMOs occupied by five or more people, in two or more households, must obtain a licence, irrespective of the number of storeys of the property. This is a mandatory legal requirement.

10.4 The responsibility for applying for a licence rests with the person having control of or the person managing the property.

10.5 The Housing Act 2004 sets out a number of HMO licensing related offences all of which carry an unlimited fine, including:

- Operating an unlicensed HMO or allowing an HMO to be occupied by more persons than a licence allows
- Breach of licence condition
- Supplying incorrect information in a licence application

10.6 A civil penalty can be issued as an alternative to prosecution for each separate breach of the HMO management regulations.

- 10.7 In addition to the above, a landlord who operates an unlicensed HMO can be subject to a Rent Repayment Order (RRO). The Council may also decide to apply a Civil Penalty for certain offences using the Housing and Planning Act 2016.
- 10.8 Generally, any breach of licence condition will be dealt with informally initially. However, if the breach is serious and affects the safety of the occupants or the responsible person does not carry out necessary works within an agreed timescale, the Council will pursue enforcement action in line with the Council's Better Regulation and Enforcement Policy.
- 10.9 In serious cases An Interim Management Order (IMO) transfers the management of a residential property to the Council for a period of up to twelve months. In exceptional circumstances the Council can also apply for a Final Management Order (FMO) which can last for up to five years.
- 10.10 Licence Holders and HMO Managers will be assessed in order to determine whether they are a fit and proper person having regard to:
- any previous convictions relating to violence, sexual offences, drugs and fraud;
 - contraventions of any laws relating to housing, public health or landlord and tenant issues;
 - any convictions for unlawful discrimination;
 - previous HMO licence refusals;
 - training and qualifications through professional bodies and/or landlord accreditation schemes.
 - Basic Disclosure result. The Council requires that a Basic Disclosure is undertaken for the proposed licence holder and manager of the HMO. Where a company is either the licence holder and/or the manager, each Company Director/Partner will be required to undertake a Basic Disclosure.

11.0 Works in Default

- 11.1 In certain circumstances the Council may decide to carry out works detailed in any enforcement Notice or Order. Such action can be taken with or without the agreement of the responsible person. If works in default are undertaken a Civil Penalty can still be imposed or a prosecution considered.
- 11.2 The Council is not obliged to carry out the works in default and reserves the right not to do so. We will avoid actions that may encourage owners, landlords and agents to be non-compliant, such as carrying out costly works in default where it may be difficult for the Council to recover its costs.
- 11.3 When taking action with the agreement of the person concerned, the Council may take any action which that person is required to take in relation to the Notice/Order. However taking action by agreement will only generally be considered where it is felt that the relevant person is for whatever reason incapable of organising, executing and overseeing the necessary works. Any such work undertaken will be at the expense of the person concerned.
- 11.4 Taking action without the agreement of the person concerned, will be considered as a course of action in the following circumstances:

- Where there is a significant risk to health and safety
- Where a person has failed without “reasonable excuse” to comply with the requirements of an Improvement Notice
- Where reasonable progress, in relation to the requirements of the Notice/Order, is not being made
- Where it is likely that the Council will be able to recover its costs.

11.5 Where the Council has undertaken works in default, or exercises its power to take Emergency Remedial Action, it will seek to recover the cost of the work carried out and our reasonably incurred expenses for organising the work. The expenses will carry interest from the date of service until payment of all sums due under the demand at a rate of 2%. A charge will also be placed as a Local Land Charge on the premises to which it relates.

APPEALS

12.1 There is a right of appeal against any formal notice, order or decision made by the council. All appeals should be made to a First-tier Tribunal and must be made within a specified time from the date the notice was served. Tribunals are informal bodies and do not operate like courts. They will hear cases presented by each side. The Tribunal may confirm, cancel or change the notice, order or decision.

12.2 In the case of imposing a civil penalty, a local housing authority is required to issue a ‘notice of intent’ to issue a financial penalty. Under this notice a landlord has 28 days with which to make representations to the local housing authority. At the end of this period, should the local housing authority still propose to issue the financial penalty, they must serve a ‘final notice’ imposing the penalty.

12.3 On receipt of a final notice imposing a financial penalty a landlord can appeal to the First-tier Tribunal against the decision to impose a penalty and/or the amount of the penalty. The appeal must be made within 28 days of the date the final notice was issued. The final notice is suspended until the appeal is determined or withdrawn.

12.4 The appeal will involve a re-hearing of the Council’s decision to impose the civil penalty. The Tribunal has the power to confirm, vary (increase or decrease) or cancel the civil penalty that the Council has issued.

12.5 The First-tier Tribunal can dismiss an appeal if it is satisfied the appeal is frivolous, vexatious or an abuse of process, or it has no reasonable prospect of success.

12.6 The Council intends to defend its decision to issue civil penalties rigorously and this will involve not only Officer time and resources but also specialist legal support.

13.0 Housing Association / Registered Social Landlords

Housing Association / Registered Social Landlords have published arrangements for reporting problems and clear response times for tenants addressing these issues. If tenants feel that repairs have not been carried out to their satisfaction, each Housing Association / Registered Social Landlords has a complaints procedure that the tenant should follow. Because of this we will not normally investigate issues from Housing Association / Registered Social Landlords tenants,

unless the reporting and complaints procedure has been followed and the landlord has then failed to take appropriate action.

Guidance

14.1 This Policy has been developed with regard to the following:

- Shropshire Council's Better Regulation and Enforcement Policy
- The Housing and Planning Act 2016
- Civil Penalties under the Housing and Planning Act 2016 Guidance for Local Housing Authorities – Department for Communities and Local Government (published April 2017)

APPENDIX A: The Housing, Health and Safety Rating Scheme (HHSRS)

The HHSRS provides an objective framework that Local Authorities must use to assess and rate 29 broad categories of hazard. These are summarised as follows:

- Dampness, excess cold/heat
- Pollutants e.g. Asbestos, Carbon Monoxide, lead
- Lack of space, security or lighting, or excess noise
- Poor hygiene, sanitation, water supply
- Accidents – falls, electric shocks, fires, burns, scalds
- Collisions, explosions, structural collapse

The system provides a means of comparing the risks associated with different types of hazard. Some are slow and insidious in their effect, like dampness and cold, whilst others are quick, such as falls. Some hazards are more likely to result in death, such as carbon monoxide, others are very unlikely to cause death e.g. noise or poor layout of amenities.

When an inspector finds a hazard, two key tests are applied – what is the likelihood of a dangerous occurrence as a result of this hazard in the next 12 months and if there is such an occurrence, what would be the likely outcome. This assessment is based on the risk to the actual, or potential, occupant who is most vulnerable to that risk. Each assessment of a hazard carried out using HHSRS results in a score.

This score is calculated using the following formula:

Risk (likelihood) x Outcome = Numerical Score

The calculation includes a 'weighting' to reflect the more serious outcomes.

Once the score has been decided it is given a banding. The table below shows the hazard bands:

BAND	HAZARD SCORE RANGE	
A	5,000 or more	CATEGORY 1 HAZARD
B	2,000 to 4,999	
C	1,000 to 1,999	
D	500 to 999	CATEGORY 2 HAZARD
E	200 to 499	
F	100 to 199	
G	50 to 99	
H	20 to 49	
I	10 to 19	
J	9 or less	

If a hazard score falls into Bands A to C, this is classed as a Category 1 hazard. Those rated in Bands D and lower will fall into the residual category, Category 2.

The hazard score does not dictate the action to be taken, but if Councils find a Category 1 hazard in a home, they have a mandatory statutory duty to take the most appropriate action. Where a Category 2 hazard exists, there is no such similar duty; instead the Act confers a power to take action.

Appendix 2: Shropshire Council Equality and Social Inclusion Impact Assessment (ESIIA)

Part One Screening Record

A. Summary Sheet on Accountability and Actions

Name of proposed service change
Introduction of Shropshire Council Private Rented Sector Housing Enforcement Policy.

Name of lead officer carrying out the screening
Karen Collier

Decision, review and monitoring
--

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

If completion of a Part One assessment is an appropriate and proportionate action at this stage, please use the boxes below and sign off as indicated. If a Part Two report is required, please move on to separate full report stage.

Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality and social inclusion considerations
<p>The introduction by the Council of a Private Rented Sector Housing Enforcement Policy sets out to reflect new powers that have been given to local authorities under the Housing and Planning Act 2016.</p> <p>As such, the Policy is intended to have a positive impact for all communities and groupings within communities, by removing and deterring rogue landlords from the Private Rented Sector in Shropshire.</p> <p>Any adverse impacts of the policy on landlords/letting agents who may have protected characteristics will be mitigated against by setting out the Council's approach in the policy which will apply to all landlords. Any landlords who are issued with a civil penalty will have the right to make representations against it to a Final-Tier Tribunal.</p> <p>It is recognised that adverse impact on tenants may occur because landlords may increase rents for tenants to pay for civil penalties or may lead to tenant evictions. Regulatory Services will continue to work with partners to provide multi-agency support where necessary to prevent illegal eviction and other forms of exploitation of the Private Rented Sector.</p>

Actions to review and monitor the impact of the service change in terms of equality and social inclusion considerations

Customer feedback will be collected through a variety of existing mechanisms, including complaints/compliments and there will be ongoing engagement with relevant portfolio holders and with councillors as local Members.

The Council is also taking a keen interest in how this policy is being developed and applied in other local authorities following the introduction of the new power under the Housing and Planning Act 2016, with a view to learning from and sharing good practice.



Associated ESIIAs

n/a

Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of any other considerations

The introduction of civil penalties, together with the extension of rent repayment orders to include a wider range of offences, will help the Council to tackle criminal, rogue and irresponsible landlords, improve standards in the private rented sector and ensure that the private rented housing is safe, well managed and properly maintained. This is anticipated to have positive societal impacts for all communities in Shropshire.


Scrutiny at Part One screening stage

People involved	Signatures	Date
Lead officer carrying out the screening		23/04/2019
Any internal support*		
Any external support** Mrs Lois Dale, Rurality and Equalities Specialist		2 nd May 2019

*This refers to other officers within the service area

**This refers either to support external to the service but within the Council, eg from the Rurality and Equalities Specialist, or support external to the Council, eg from a peer authority

Sign off at Part One screening stage

Name	Signatures	Date
Lead officer's name		
Accountable officer's name*		14/05/2019

*This may either be the Head of Service or the lead officer

B. Detailed Screening Assessment

Aims of the service change and description

A Private Sector Housing Enforcement Policy is required to reflect the new powers that have been given to local authorities under the Housing and Planning Act 2016 to impose civil penalties of up to £30,000 as an alternative to prosecution and the extension of rent repayment orders to cover illegal eviction, breach of a banning order and certain other specified offences.

The powers were introduced by Government to tackle rogue landlords and managing agents and are designed to benefit households that are living in private rented accommodation by improving housing conditions.

This policy supplements the Council's existing Better Regulation and Enforcement Policy which sets out the approach followed by Regulatory Services when making decisions in respect of enforcement decisions. We aim to achieve compliance through advice, information and guidance but there are times when a more prompt or robust form of intervention or enforcement action is required in order to achieve the level of compliance required.

There are approximately 23,000 private rented properties in Shropshire, which represents 17% of the total housing stock according to Shropshire Council's Housing and Health Survey in 2011. This Survey also estimated that the private rented sector has the highest proportion of non-decent dwellings occupied by vulnerable households (48.5%) and it therefore important these dwellings are improved.

Intended audiences and target groups for the service change

Households living in private sector rented housing
 Local landlords
 National Landlords Association
 Communities in Shropshire
 Shropshire Council elected members as community leaders
 Shropshire MPs
 Partner agencies and organisations

Evidence used for screening of the service change

The Policy is being introduced following legislative changes.

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

A public consultation was carried out between 14th February 2019 and 11th April 2019. The Consultation was active on the Shropshire Council Website during that time and was open

to the public and all stakeholders to put forward their comments. The draft policy was also discussed with landlords at the Shropshire Branch meeting of the National Landlords Association on 4th March 2019.

The public consultation received only one response, from Shropshire Council Housing Service. They suggested including additional explanatory information and reference to action tenants can take themselves.

Initial assessment for each group

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

Protected Characteristic groups and other groups in Shropshire	High negative impact Part Two ESIIA required	High positive impact Part One ESIIA required	Medium positive or negative impact Part One ESIIA required	Low positive or negative impact Part One ESIIA required
Age (please include children, young people, people of working age, older people. Some people may belong to more than one group eg child for whom there are safeguarding concerns eg older person with disability)				X
Disability (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				X
Gender re-assignment (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				X
Marriage and Civil Partnership (please include associated aspects: caring responsibility, potential for bullying and harassment)				X
Pregnancy & Maternity (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				X
Race (please include: ethnicity, nationality, culture, language, gypsy, traveller)				X
Religion and belief (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				X
Sex (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				X

Sexual Orientation (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				X
Other: Social Inclusion (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people for whom there are safeguarding concerns; people you consider to be vulnerable)				X

Identification of likely impact of the service change in terms of other considerations

The service change as proposed is anticipated to have a positive societal impact in terms of protecting households, including those which may be vulnerable, from rogue landlords.