



Committee and Date
Council

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FINANCIAL STRATEGY 2017/18 – 2019/20

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1. Summary

The Council's Financial Strategy reflects a point in time of unprecedented uncertainty in local government finance. The Government's offer of a multi-year settlement has been taken by Shropshire Council (as approved by Council in October 2016) and ostensibly provides certainty in finances through to 2019/20. The reality, however, is that a number of significant funding streams (for example Improved Better Care Fund and New Homes Bonus) are excluded from the multi-year settlement and the fourth and final year of the settlement period (2019/20) is also the year that 100% Business Rate Retention and Fair Funding is timetabled to begin. Government backed Technical Working Groups continue to develop this approach, representing the greatest change in local government finance for a generation, but at present no details of how this could operate have been forthcoming. It is therefore impossible to calculate the impact of these changes on Shropshire Council. The option to create a long-term financial strategy is consequently not available and as such the Council has developed a two-stage approach:

- 1) Develop a short-term financial strategy for the years 2017/18 and 2018/19 based on achievable, lower impact savings proposals and using one-off resources to close the resultant gap.
- 2) Ahead of the 2019/20 Financial Year, develop strategies alongside the emerging themes emanating from Central Government to create fit for purpose and consistent Corporate Plan, Economic Growth and Commercial Strategies, to form the infrastructure by which a coherent, long-term Financial Strategy can be developed alongside the mechanics and implications of the emerging Fair Funding mechanism.

In the meantime, Shropshire Council continues to manage its budget within the confines of significantly reducing resources as a result of government cuts. A model of growth in costs over the next three years was created and demonstrated that the Council could not afford, for example, to fund the growth in Adult Social Care based on the resources that would be available. A review of Adult Social Care expenditure attempted to model, in detail, how spend is expected to grow in future years as a result of demographic change and an

aging population. The level of growth in the budget necessary to reflect the model was in the order of £15m in 2016/17 and growth of £8m to £10m every year thereafter. A series of savings proposals in other areas of the Council were put forward to enable this level of growth to be redirected to Adult Social Care, but the resultant impact on other statutory and discretionary services was considered to be unachievable. As a result, a funding gap was identified and reported to Council.

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

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

Although the overall extent of the changes within this report do not represent a significant shift from the financial implications previously agreed by Council and Cabinet, this revised report does provide updated figures, and a more robust overview of budget planning over the next two years. This report continues to adopt the approach agreed by Council in July 2016, and provides the updated information following consultation on the budget plan. The Council's Performance and Management Scrutiny Committee (PMS), and the Financial Strategy Budget Setting Task and Finish Group, have taken the opportunity to scrutinise the proposals brought forward over the year. The approach outlined above was agreed by PMS on 16 November 2016.

At the time of writing, the Council has not received the Final Local Government Settlement which was expected to be published on 8 February 2017, but may not be received until 22 February 2017. As a consequence, it will be necessary to progress the Financial Strategy on the basis of the provisional settlement and devolve responsibility to the Council's Section 151 Officer to make amendments following receipt of the Final Settlement. It is recommended that amendments are funded from the Council's General Fund Balance and/or Financial strategy Reserve, and undertaken in consultation with the Leader of the Council. It was originally expected that the Final Settlement would have been received and analysed ahead of full Council on 23 February 2017, thereby allowing Council to ratify any amendments made following Cabinet on 8 February 2017. This

now appears unlikely. Members will be provided with the opportunity to consider any impacts of the Final Settlement before Full Council, with any significant changes tabled on the day of Council as far as this is possible. This report, therefore, provides an update to Cabinet on all changes made since Council on 15 December 2016 but does not necessarily represent the final budget position for 2017/18, and cannot do so until the Final Local Government Finance Settlement has been received and analysed.

2. Recommendations

It is recommended that members:

- A. Approve the 2017/18 budget of £563.350m including the savings proposals previously approved by Council and the revised proposals to deliver a balanced budget in 2017/18 as outlined in Appendix 3.
- B. Note the changes required to the 2016/17 budget as a result of the Local Government Settlement and the revised business rates and collection fund estimates.
- C. Note the changes required to future years budgets as a result of the Local Government Settlement.
- D. Note the revised funding gap for the years 2018/19 and 2019/20.
- E. Approve the revised Capital Programme as set out in the report.
- F. Approve the Policy for Flexibility around the use of Capital Receipts as set out in Appendix 7.
- G. Agree the Statement of Chief Financial Officer on the Robustness of the Estimates and Adequacy of Reserves 2016-20 as set out in Appendix 8, noting the Council's general fund balance over this period.
- H. Agree the Pay and Rewards Policy for all Council staff for 2017/18 as set out in Appendix 9.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Financial Strategy makes specific reference to the Council's ability to set a sustainable budget (the highest of the Council's key

strategic risks). Other risks associated with or mitigated by the setting of an approved Financial Strategy are listed below:

- ICT Provision
- ICT Digital Transformation
- Future Funding Levels

Financial Uncertainty

- 3.2. There is a significant risk that the Council's financial position will impact on service delivery, both statutory and non-statutory in future years. It is still unclear as to the extent of this impact as a great deal of work, including consultation where necessary, is required to move from the production of savings proposals to actual changes in service delivery seen on the ground. Nevertheless, we will continue to identify proposals for service reductions that are necessary to deliver a balanced budget over the medium term. This approach needs detailed consideration to ensure the Council is not placed at risk of being unable to deliver statutory functions to an appropriate quality or being unable to meet the needs of the most vulnerable. The impact of the Final Finance Settlement (Provisional in mid-December 2016, Final in February 2017) is unknown at the present time, but could have a bearing on our medium term plans and also our ability to deliver a Sustainable Business Model in the longer term.
- 3.3. The Autumn Statement was announced on 23 November 2016. The statement confirmed that as the deficit remains so high, the government is committed to spending plans as set out in the Spending Review 2015. The Statement confirmed the national living wage increases identified previously and therefore these changes have already been considered and built into earlier Financial Strategies. Changes were announced however to business rate relief, specifically for those businesses subject to rural rate relief.
- 3.4. The Final Local Government Finance Settlement from February 2016 provided details for the financial years 2016/17 to 2019/20. In addition, Central Government offered to provide all local authorities with a confirmed multi-year offer (to 2019/20) where any Council was prepared to provide details of its efficiency statement before the deadline of 14 October 2016. Shropshire Council agreed to accept this offer and as a result the following allocations provided in the final settlement are now expected to be honoured:
- Revenue Support Grant (RSG)
 - Rural Services Delivery Grant (RSDG)
 - Transition Grant (2016/17 and 2017/18 only)
 - Business Rates Top-Up Grant

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

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

- 3.5. To help mitigate risks all core grants identified in the two lists above have been considered as one-off funding. Reliance on these funds, however, has still been assumed over the medium term.
- 3.6. The Financial Strategy is based upon delivery of a balanced budget over the Medium Term. Each year the delivery of services and savings proposals is monitored and reported to Cabinet on a quarterly basis. The impact of significant additional pressures (for example, demographic pressures in Adult Services) and the non-achievement of savings proposals impact not only on the relevant financial year, but also in future years of the Strategy. In previous years there has been an ability to freeze spending elsewhere in the budget to compensate for these pressures. In the future, there is a significant risk that there will be insufficient controllable budgets left in the Council to mitigate pressures appearing elsewhere. This may mean that reserves held for emergencies instead become relied upon to cover known pressures. If reserves are depleted in this way, the Council's funding position will become unsustainable.
- 3.7. Detailed work has been undertaken to revise the growth projections for Adult Services. This work is influenced by numerous variables which are often non controllable. Each of these issues can lead to uncertainty in the base data or assumptions which are then extrapolated. If the pressure in Adult Services in future years is understated this would lead to short term decision making to deliver a balanced budget. If this pressure is over stated in future years, this would lead to decisions being taken elsewhere in the Council's budget that may have been unnecessary. The risk of continued budget variances in this area have been reduced by allocating additional resources to model future spend projections and by attempting to model and identify all variables. Spending on Adults Services, however, still represents the Council's greatest risk area in terms of potential budget overspends. For this purpose, it is proposed to introduce a 'contingent budget' to reduce the risk of major variation in the short term. Additionally, the decision to utilise short-term resource in the following two financial years to mitigate and delay the impact of service reductions across the Council will enable greater time for assurance from the modelling in Adult Services Finances to be gained.
- 3.8. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account

the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equalities Impact Needs Assessments and any necessary service user consultation.

4. 2016/17 Financial Year Implications for Future Years

- 4.1. Cabinet approved the Quarter 3 Budget Monitoring Position for 2016/17 which outlined a projected underspend of £0.244m with the Council's General Fund Balance projected to be £18.614m by 31st March 2017.
- 4.2. The report also identified that £23.054m savings had been identified for delivery in the 2016/17 Financial Year and that £1.286m of these savings were RAG-rated as Red. This means that there is a high probability that they will not be achieved in-year, but have been offset by other initiatives, hence the overall projected underspend of £0.244m for the Council. The implications of the non-delivery of these savings on future years has been taken into account in the revision of figures within this Financial Strategy Report.

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

- 5.1. Council approved the Financial Strategy in July 2016 setting out the funding and spend position for the Council over the Medium Term and agreed an approach whereby a mix of base budget savings would be implemented alongside the use of one-off proposals to deliver a balanced budget plan for the 2017/18 and 2018/19 Financial Years. In July, Council approved these base budget proposals, and in September Cabinet approved the one-off proposals that would be implemented to bring the budget into overall balance. In November Cabinet also received Revenue and Capital monitoring reports updating the current year position and identifying implications and movements necessary for future years and have considered a revised Financial Strategy on 30 November 2016.
- 5.2. On 15 December 2016 Council received a Financial Strategy report detailing the latest projections of the budget for the financial years 2017/18 and 2018/19 and outlined the assumptions around the use of one-off resources to deliver a balanced budget for two financial years. This report also provided an update to the savings plans for 2017/18 and Council formally approved the £15.026m of savings for delivery. No further amendment is proposed to those savings plans approved for 2017/18 and therefore delivery against those proposals will be monitored closely during the 2017/18 financial year.
- 5.3. Since December, the Government has announced details of the funding provided for under the provisional local government settlement. The Council had previously adopted to accept the Government's multi-year settlement proposal for the period 2016/17 – 2019/20 in order to provide some certainty around our funding so that the Council could plan accordingly. Despite this

offer of certainty, the Government has amended the local government settlement for 2017/18 from that outlined in the original offer to Shropshire Council. The revenue support grant funding has remained at the same level as well as funding allocations for Rural Services Delivery Grant, Transition grant and (at present) the Improved Better Care Fund. The Government did, however, announce changes to the funding provided under the New Homes Bonus.

- 5.4. The Government had previously planned to reduce the number of years paid in New Homes Bonus allocations from 6 years to 4 years in 2018/19, therefore the multi-year settlement announced in 2016/17 had previously allowed for 6 full years of New Homes Bonus Allocations in 2017/18. The Government has now announced a change to this and has introduced a transitional year for 2017/18 reducing the New Homes Bonus allocations to 5 years in 2017/18 in order to provide a step change towards the reduced 4 year allocation in 2018/19. It should also be noted that the Government has introduced a 0.4% baseline for growth assumptions around new homes being delivered from 2017/18 and New Homes Bonus funding will only be provided for growth over and above this 0.4% baseline. This has reduced the figure anticipated to be received in New Homes Bonus by a greater balance than purely the loss of one year's allocation as shown in table 1 below.

Table 1: New Homes Bonus Funding Changes in 2017/18

	2017/18 £'000
Original Notification of New Homes Bonus as detailed in multi-year settlement	9,378
Reduction of 1 year's New Homes Bonus Allocation	(1,038)
Reduction due to 0.4% Baseline Introduction	(776)
Further change in National Allocation affecting individual authorities	228
Final New Homes Bonus Allocation	7,792
Therefore loss of New Homes Bonus in Year	(1,586)

- 5.5. The Government have stated that the balance of funding withdrawn from local authorities under New Homes Bonus (NHB, totalling £241m nationally) will be reallocated back to local government through a more appropriate mechanism to help solve the acknowledged national underfunding of Adult Social Care. An Adult Social Care Support Grant has been allocated to relevant authorities based on the 2013-14 Relative Needs Formula (RNF). In two tier areas this change enables the shift of NHB funds away from District Authorities to County Councils who deliver Social Care Services. The RNF methodology employed focusses predominantly on deprivation rather than the age profile of residents within local government areas. As a result the

allocation for Shropshire has been calculated at £1.400m, which is £0.185m less than the balance of funding removed under the New Homes Bonus changes. This has therefore resulted in less funds being available within New Homes Bonus to use in the funding gap, and so the Council has needed to bring forward the release of some earmarked reserves to bridge this gap. Ironically, the reductions in government funding meant that NHB was already allocated to be spent on Adult Social Care and therefore the impact of this change in Shropshire has been to directly remove funding from the area identified by both government and the Council as a priority.

- 5.6. At the same time that these changes in funding were announced, the Government also gave local government the option to increase the Adult Social Care Precept that can be raised through Council Tax from 2% per annum for three years to 3% in the next two years. This change was intended to give local authorities more funding in 2017/18 towards the cost pressures for Adult Social Care, but was still limited to the same 6% total increase over three years.
- 5.7. The Council has calculated the impact of making such a change, and whilst this would give an additional £1.292m in 2017/18, over the 3 year period, the net effect would be a loss of £0.186m given that the Council would only benefit from increases in the council's taxbase for 2 years compared to 3. Therefore, this revised proposal will not be pursued and the Council will continue with their original plans to precept 2% per annum for Adult Social Care over a 3 year period.
- 5.8. Government have also amended the top-up funding grant relating to non-domestic rates which reflects the impact of the new rating list that is being introduced for 2017/18. In order to prevent differing authorities from benefitting or being disadvantaged by this change, the Government have recalculated and allocated the top up grant payable.
- 5.9. The other most significant changes in the Council's resources projections as shown in Appendix 1 is the update on specific grant allocations for 2017/18 and the inclusion of updated figures for the Collection Fund surplus. A paper detailing the calculation of the Collection Fund surplus is being considered on this committee agenda; it has been identified that the council will benefit from a combined surplus of £4.162m from council tax and non-domestic rates, offset by the changes to spending set out below.
- 5.10. Further work has also been ongoing to refine the Council's budget plans for 2017/18. This has included updating the impact on expenditure for changes in specific grant allocations, updating detailed budgets for service areas which has identified the need to remove an income budget of £1.8m which related to an old specific grant received, and a further update to the figures

on pension inflationary increases. The effect of these changes have been to increase expenditure projections by £1.235m. Further detail of these latest figures are provided in the expenditure projections outlined in Appendix 2.

- 5.11. The outcome of these changes to resources and expenditure has reduced the Council's funding gap for 2017/18 but has increased the gap in 2018/19 this is shown in Table 3 below.

Table 3: Revised Funding Gap for 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap as at 15 Dec 2016	18,086	20,447
Changes to New Homes Bonus	0	(185)
Changes to Non Domestic Rates and Council tax figures including change to top up grant	(1,306)	(1,312)
Net changes to specific grants	2,080	3,150
Removal of income budget	1,835	1,835
Collection Fund Surplus	(4,162)	0
Adjustment to Pension Inflation	(346)	(113)
Revised Funding Gap	16,187	23,822

- 5.12. On 15 December 2016 Council received details of how the funding gap would be resolved using a series of one-off proposals which would deliver a balanced budget in 2017/18 and reduce the funding gap to £2m in 2018/19. Given the change in the funding gap it has now been necessary to reallocate how one-off proposals will be used across the two years, however it should be noted that the funding gap for both 2017/18 and 2018/19 has now been fully funded from these proposals. This has been achieved by fully utilising the earmarked reserves that have been identified for conditional release based on generating and using capital receipts in order to fund this expenditure. An updated policy for the flexible use of capital receipts in 2017/18 is attached at Appendix 7 for approval.

Table 4: Short Term Proposals to fund the budget in 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap (as per Table 3)	16,187	23,822
Use of One Off Grants: RSDG (Provisional Settlement)	(1,633)	(1,633)

Improved RSDG (Final Settlement)	(3,675)	(2,450)
Transition Grant (Final Settlement)	(586)	0
New Homes Bonus	(2,792)	(868)
Adult Social Care Support Grant – One Off	(1,400)	0
Improved Better Care Funding	(217)	(4,329)
Applying existing savings proposals early	(890)	(9)
Delivering anticipated and managed underspends	(960)	0
Collection fund adjustments	0	(2,100)
Carry forward unapplied Adult Services Contingent Budget	0	(2,500)
Release Earmarked Reserves	(4,034)	(6,375)
Conditional Release of Reserves	0	(3,559)
Total Short Term Proposals	(16,187)	(23,822)

6. Long Term Financial Strategy

6.1. The above proposals represent a significant departure from the original approach agreed by Cabinet in October 2015. At that point the Council was proposing to implement a Long Term Strategy based upon a Sustainable Business Model which would identify future resources available and fit spending patterns within that financial envelope. This approach has been revised for two key reasons:

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

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

- 6.3. The development of the Council's Corporate Plan is an essential element of this approach and provides the framework for Council priorities and strategic outcomes within which a Financial Strategy can be developed.
- 6.4. Alongside the Financial Strategy, the Corporate Plan will also be supported by a number of key strategy documents currently in different stages of development and refresh including:
- The Economic Growth Strategy
 - The Commercial Strategy
 - The Workforce Strategy
 - The Digital Transformation Strategy
 - The IT Strategy
 - The Investment Strategy
 - The Treasury Strategy
- 6.5. The development of the Economic Growth Strategy will enable the Council to produce a more developed Capital Investment Strategy, setting out the longer-term aspirations of the Council in terms of development and regeneration and expectations of yield, Return on Investment and break-even periods for all future investment proposals. Following a review of the current Capital programme work will be undertaken to set out these principles in an aspirational Investment Strategy, which will form an integral part of the developing Financial Strategy.
- 6.6. While it is too early at this stage to clearly set out the priorities that will be established within these strategic documents, the following considerations are likely to be developed further and become a consistent theme running through each:
- Operating the most efficient services and being commercial in outlook across all that we do. This will require cultural change within the workforce and investment funds to develop new initiatives. Expected outcomes include delivering more efficient services at lower cost and/or subsidised by additional sources of income.
 - Our population becoming the healthiest, to improve quality of life and reduce strain on services. This requires a change in outlook, with services redesigned to meet outcomes rather than spending or income targets.
 - Growing income from business rates and housing. Investment of the right kind for Shropshire will generate much-needed funds for the Local Authority to enable sustainable delivery of priority services to the most vulnerable now and in the future.

- Increasing investment income. Investing in a programme of works designed to deliver higher yields of income that currently available, while understanding the associated risks as well as potential rewards.
- Maximising the potential of our investment in IT and technology. The Digital Transformation Programme is designed to be the first step in a fundamental reshaping of the Local Authority, providing easier access for the public and greater transparency alongside reduced costs and delivery of better outcomes for the public and communities.

6.7. Drafts of each of these documents are in different stages of development and are likely to be brought forward throughout the 2017 calendar year.

7. Budget Consultation

- 7.1 The budget consultation ran from the 7th December 2016 to 18 January 2017. A total of 49 responses were received and in general the responses were supportive of the proposals that the Council has included within the 2017/18 Budget Strategy.
- 7.2 The first area of the consultation looked at whether the public agreed that the Council should fund Adults Social Care costs from local resources and by diverting funding from other services. As shown below the majority disagreed with this proposal and the comments to accompany this answer gave the consensus that National government should fund this pressure rather than local authorities having to generate funds locally for this. Also, there was concern raised that by moving resources from other key local services, this could damage the long term future for attracting younger people into the county.

Question 1	Yes	No	Don't Know
Do you agree that the Council should have to fund statutory costs such as Adult Social Care from local resources, such as a 2% additional precept on Council Tax and by diverting funding from other services?	37.50%	58.33%	4.17%

- 7.3 The next area of the consultation focussed on the council's proposal to delay budgetary savings and instead fund these through a temporary source of funding. In general, there was support for this proposal however the public was concerned that this is a temporary measure only and were concerned by the effect that not addressing the underlying budgetary issue would have in future years.

Question 2	Yes	No	Don't Know
Do you agree with the Council's proposal to delay implementation of some budgetary savings in 2017/18 and use one-off funds as a temporary source of funding to close the funding gap?	59.18%	28.57%	12.24%

- 7.4 The public were also canvassed for their views on increasing council tax in 2017/18 by 1.99%. Generally, people were supportive of an increase however concern was raised through the comments about how a council tax increase affects those on low incomes disproportionately.

Question 3	Fully support	Somewhat support	Don't support at all
To what extent do you support the council raising its share of council tax by 1.99% in 2017/18 and using that money to help protect key services in the future?	46.94%	24.49%	28.57%

- 7.5 The final area of the consultation looked at the council's proposal to use capital receipts for projects that would generate future revenue savings in the budget. Over 83% agreed to some degree with this proposal as long as the efficiencies in services are achieved and the funding then reinvested in statutory services. Some respondents raised that this policy could be viewed as a short term solution to the funding problem.

Question 4	Fully agree	Somewhat agree	Don't agree at all
Do you agree that the Council should target the use of capital receipts in order to generate future revenue savings and efficiencies in the budget?	51.02%	32.65%	16.33%

8. Capital

- 8.1 This section of the report updates the Capital Programme for the period 2017/18 to 2019/20. This update is a holding position of the previous programme, updated to reflect new confirmed funding and the delivery schedule for schemes.
- 8.2 The Council is developing business cases for a number of proposed large schemes, however at this stage the business cases are not finalised. As a result these schemes cannot be considered at this point for inclusion in the capital programme and reports will come forward at a future date for consideration.

Capital Allocations 2017/18 to 2019/20

- 8.3 The capital programme report 2016/17 to 2018/19, approved Council 25 February 2016, contained details of confirmed and indicative capital grants

allocations. Where the Council has received updated confirmed allocations, these have been built into the updated capital programme. Any changes to capital allocations have been pass-ported through to the service area, as will any allocations still to be confirmed. The following section details these allocations.

- 8.4 **Department of Education – Schools Programme.** The Department of Education has previously confirmed Basic Need allocations through to 2017/18 and indicative allocations of Condition grant for the same period. The Condition allocation is revised annually to reflect schools moving responsible body, opening or closing, and final confirmation of the 2017/18 allocation is awaited. The same confirmation is required for the 2017/18 Devolved Formula Capital grant allocation. Once confirmed these will be built in the capital programme and reported through the quarterly Capital Monitoring report. There are currently no future indicative allocations published for 2018/19 onwards.
- 8.5 In addition to the new funding allocations expected for 2017/18 there is significant funding that has been brought forward from previous year's capital programmes. The table below summarises the funding currently available in the 2017/18 Learning & Skills Capital Programme:

Table 5: Learning & Skills Capital Funding

Funding	2017/18 Funding		
	B/F Funding £	New Allocation £	Total £
Basic Need	14,293	1,784,013	1,798,306
Condition (<i>provisional</i>)	0	3,322,364	3,322,364
DFC	900,000	0	900,000
Capital Receipts	3,953,491	0	3,953,491
Revenue Contributions	4,694	0	4,694
Total	4,872,478	5,106,377	9,978,855

- 8.6 This funding has been allocated by programme areas and individual schemes as detailed in the Capital Programme (see Appendix 4). This is a combination of schemes slipped from 2016/17, multi-year schemes and allocations by programme area, which will be allocated to specific schemes based on school priorities. Learning & Skills have developed a programme to utilise all the above funding and expected funding that will be available to them in 2017/18, with Condition works being the largest area of the programme and this has been fully allocated against individual school schemes to be delivered in 2017/18. Further consideration will be made to the deliverability of a programme consisting of the brought forward funding and the 2017/18 funding of Basic Need grant in the financial year, once the full programme of schemes is approved.
- 8.7 In addition to the above funding, £1.9m is currently projected to be generated in future years from the disposal of surplus former school sites, following

Department of Education approval to dispose of the sites. These receipts are ring fenced for investment in Learning & Skills capital schemes as previously agreed by Council as part of the amalgamation programme.

- 8.8 **Department of Transport - Local Transport Plan (LTP).** The Department of Transport previously announced allocations of funding for Highways confirmed through to 2017/18 and indicative allocations for 2018/19 to 2020/21. The Shropshire allocations are detailed in Table 6 below.
- 8.9 In addition to the LTP allocations further funding for Pothole repairs has been allocated nationally by formula shared by local highway authorities based on the road length for which each authority is responsible. The funding announcement for 2017/18 is an additional £1,335,000 for Shropshire Council.
- 8.10 The Department for Transport recently announced new funding in the Autumn Statement 2016 for a National Productivity Investment Fund in 2017/18. This is funding for local highway and other local transport improvements which aim to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets, to improve access to employment and housing and to develop economic and job creation opportunities. Shropshire Councils allocation for 2017/18 is an additional £2,827,000.
- 8.11 There is a further £578 million that will be allocated nationally based on incentivising good asset management and efficiencies. Shropshire Council has submitted the required self-assessment exercise to Department for Transport for 2017/18 and is awaiting confirmation of the additional funding to be received for 2017/18. The self-assessment questionnaire submitted in 2016/17 resulted in Shropshire Council being awarded funding at Level 2 entry and this has been assumed for 2017/18 at this stage also. The self-assessment questionnaire has been submitted for 2017/18 and it is expected that Shropshire Council will rise from Level 2 to Level 3 award (the top level) which could result in additional funding of £137,000.00 above the £1,236,000 forecast. From 2018/19 onwards the indicative allocation has been assumed at Level 3 funding allocations.

Table 6: Department for Transport LTP allocations

Funding	2017/18 Allocation £	2018/19 Indicative Allocation £	2019/20 Indicative Allocation £	2020/21 Indicative Allocation £
Highways Maintenance	14,667,000	13,275,000	13,275,000	13,275,000
Integrated Transport	1,626,000	1,626,000	1,626,000	1,626,000
Pothole Fund	1,335,000	0	0	0
National Productivity Investment Fund	2,827,000	0	0	0
Incentive/Efficiency Element Funding	1,236,000	2,765,000	2,765,000	2,765,000
Total	21,691,000	17,666,000	17,666,000	17,666,000

- 8.12 Also under the Highways Maintenance there is a 'Challenge Fund' of £75m for 2017/18 into which the Council can submit bids for major maintenance projects

that are otherwise difficult to fund through to normal Needs Based Formula funding received. The Council is currently considering which schemes could be put forward and are expecting to submit a bid for 2017/18.

- 8.13 Within the Department for Transport Roads Funding 2017/18 announcement Shropshire was identified as one of the Local Highways Authorities which was deemed to have one of the most dangerous local roads in the West Midlands area where the risk of fatal and serious collisions is highest, based on analysis by the Road Safety Foundation. Two sections of road on the A529 in the North East area of the County have been identified and Shropshire Council has been invited to submit proposals to improve safety on this road. If successful Shropshire Council could receive additional funding from £25m set aside nationally.
- 8.14 A summary of how the Department for Transport funding has been allocated across service areas within Highways and Transport is provided in Table 7 below and further detailed in Appendix 5:

Table 7: Highways Capital Programme & Financing 2017/18

Funding	Maintenance Block £	Integrated Transport £	Total £
Structural Maintenance of Bridges	4,000,000	0	4,000,000
Structural Maintenance of Roads	12,638,000	126,000	12,764,000
National Productivity Fund – to be confirmed	2,827,000		2,827,000
Street Lighting	600,000	0	600,000
Total Highways	20,065,000	126,000	20,191,000
Integrated Transport			
Integrated Transport	0	1,000,000	1,000,000
Contribution to Shrewsbury Integrated Transport Package	0	500,000	500,000
Total	20,065,000	1,626,000	21,691,000

- 8.15 The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.
- 8.16 Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support. For the next few years an element of the funding will be used to support the Shrewsbury Integrated Transport Package scheme.
- 8.17 **NHS – Better Care Fund.** The Better Care Fund includes capital grant allocations for Disabilities Facilities Grant (DFG) and the Community Capacity

Grant. Allocations for 2017/18 are yet to be confirmed, but expected to be broadly in line with the 2016/17 allocation of £2,498,220

- 8.18 Additional funding was secured in 2016/17 from the Department for Health Housing and Technology Fund after a successful bid was submitted by Shropshire Council for the sum of £2,415,000 profiled over both 2016/17 and 2017/18 financial years. The award is part of a £25m national programme to deliver sustainable housing solutions for people with learning disabilities in conjunction with community partners.
- 8.19 Further funding of £454,825 is included in the Adult Social Care capital programme for 2017/18. This is funding which has been re-profiled from previous years. Plans are being developed to allocate this, and new funding, to schemes that will deliver financial savings across both the health and social care economy through remodelled services and better outcomes for individuals.
- 8.20 **Housing Revenue Account (HRA).** During 2016/17 the Council has undertaken the transition from using the baseline Major Repairs Allowance (MRA) figure in the HRA self-financing determination for Shropshire as the basis for the amount allocated for capital investment. There was a five year transitional period to implement component-based depreciation for the HRA to use for determination of the level of capital investment required in the housing stock.
- 8.21 The HRA has agreed a major repairs programme of £3.55m 2017/18, plus £1.75m slippage from 2016/17. During 2017/18 £0.3m is also included for completion of the New Build Phase 3 programme, financed from ring-fenced capital receipts, generated from HRA property disposals.
- 8.22 **Local Enterprise Partnership (LEP).** The Council has been awarded Local Enterprise Partnership (LEP) funding for three projects after submission of business cases in 2015/16, these projects continue until 2020/21
- 8.23 The Council received confirmation of £6m (across 2015/16 to 2018/19) in LEP funding for the Shrewsbury Integrated Transport Package. The scheme will include a number of measures aimed at alleviating congestion and improving town centre pedestrian areas. The scheme will be supplemented by funding from the annual Integrated Transport allocation and developers contributions through Community Infrastructure Levy and Section 106 contributions.
- 8.24 Following submission of the business case for the Oxon Link Road scheme in 2015/16 the Council was awarded £4.2m (across 2015/16 to 2019/20) towards the total cost of the £12.934m project. The scheme will be supplemented by funding from developer contributions through Section 106 agreements.
- 8.25 Funding from the Local Enterprise Partnership has also been awarded towards the Broadband delivery project. This funding of £5,022,000 (across 2015/16 – 2020/21) has been used in conjunction with funding from BDUK and Shropshire Council to facilitate the upgrade of Broadband provision to premises within Shropshire.

8.26 Corporately Financed capital schemes

The previous Capital Strategies have reduced the number of corporately financed schemes to align the programme to available resources and avoid the unaffordable ongoing revenue costs of borrowing to finance the programme. Following a final review of the capital programme in 2016/17 there is limited scope to make further savings; especially as given the nature of capital schemes, a number of schemes are ongoing across financial years with contracts in place to deliver these schemes.

- 8.27 No changes have been made as part of the 2017/18 Capital Strategy. However, these will be subject to review following the production of a Capital Investment Strategy which will give consideration as to how the Council will prioritise and finance future schemes, in particular any schemes that will generate revenue savings.

8.28 Capital Programme 2017/18 to 2019/20

The revised capital programme, following the grant changes and the review of the capital programme is detailed in Appendix 4 and a summary of the programme and the financing is provided in Table 8.

Table 8: Capital Programme 2016/17 to 2018/19

Service Area	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £
General Fund			
Place & Enterprise	38,301,000	25,784,041	2,320,000
Adult Services	2,369,825	0	0
Children's Services	9,978,855	0	0
Public Health	500,000	0	0
Resources & Support	9,256,230	0	0
Total General Fund	60,405,910	25,784,041	2,320,000
Housing Revenue Account	5,652,467	16,319	0
Total	66,058,377	25,800,360	2,320,000
Self-Financed Prudential Borrowing	300,000	0	0
Government Grants	39,314,074	24,904,962	1,636,372
Other Grants	0	0	0
Other Contributions	382,750	0	0
Revenue Contributions to Capital	709,040	0	0
Major Repairs Allowance	4,833,074	0	0

Corporate Resources (Capital Receipts/Prudential Borrowing)	20,519,439	895,398	683,628
Total Financing	66,058,377	25,800,360	2,320,000

8.29 Proposed Future Schemes The Council is currently undergoing a review of its capital investment priorities and undertaking the production of a Capital Investment Strategy which will support investment decisions going forward and will provide links to support other key strategies. The purpose of the Capital Investment Strategy will be to ensure that all capital investments are consistent with the Council's priorities and service delivery strategies, consider associated risks, recognise financial constraints over the long term and represent value for money. In addition any capital investments should comply with the Prudential Code for local authority capital investment introduced through the Local Government Act 2003. The key objectives of the Code are to ensure that capital investment plans are affordable, prudent and sustainable.

8.30 It has been recognised that the Council's capital investment decisions are no longer solely to support the achievement of social goals, and whilst this remains the focus, there is also the requirement to invest in opportunities that will generate a return on investment for the Council and provide greater resilience going forward. The Capital Investment Strategy will be designed to guide the Council to make appropriate investment decisions within the following areas:

- own fit for purpose, well maintained and appropriate assets for the work of the Council and delivery of its services.
- ensure that assets contribute to income generation wherever possible.
- address the maintenance requirements of its current assets.
- invest in income generating and cost saving capital programmes.

8.31 Alongside the Capital Investment Strategy the Council is developing business cases for a number of proposed large schemes. At this stage the business cases are not finalised or are awaiting confirmation of external funding. As a result these schemes cannot be considered at this point for inclusion in the capital programme. Reports will come forward to consider these once the business cases have been finalised. These reports will also consider the financial implications of the Council financing these schemes and the effect on revenue budgets in the long term.

8.32 Capital Receipts

Capital receipt projections are based on current projections of assets to be disposed, the estimated capital receipt they will generate from disposal and the financial year in which the disposal will be completed. There is a high level of risk in these projections as they are subject to changes in property and land receipts and the revised allocated capital receipts; Table 9 shows the capital receipts position across the years of the capital programme.

Table 9: Capital Receipts Projections 2017/18 to 2019/20

Service Area	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £
Corporate Resources Allocated in Capital Programme	20,519,439	895,398	683,628
To be allocated from Ring Fenced Receipts	4,874,890	0	0
Total Commitments	25,394,329	895,398	683,628
Capital Receipts in hand/projected:			
Estimated carry forward	21,386,352	0	0
Projected - Green	1,407,780	50,000	0
Total in hand/projected	22,794,132	50,000	0
In year Shortfall/(Surplus) to be financed from additional capital receipts/Prudential Borrowing	2,600,197	845,398	683,628
Further Assets Being Considered for Disposal	20,184,390	2,555,400	0

- 8.33 The above capital receipt projections for 2017/18 to 2019/20 are based on current scheduled disposals that are profiled for each year. However, a number of proposed disposals are subject to business case approval against the Councils disposal protocol. Those listed as Green are where it is rated as 'highly likely' that the disposals will be completed in year. In addition to these there are a number of further disposals that have been identified for potential disposal in future years. These receipts hold significant risk against delivery and therefore until the plans for disposal against these assets are formally agreed, these will not be included when considering the programmes affordability. The current programme has a shortfall in total of £4,129,233 against low risk capital receipts. Further work is required on the deliverability of the list of assets being considered for disposal to address this shortfall going forward.
- 8.34 If the Council cannot generate the required level of capital receipts, the Council will need to further reduce or re-profile the capital programme or undertake prudential borrowing, which will incur revenue costs that are not budgeted in the revenue financial strategy.

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)

Malcolm Pate

Local Member

All

Appendices

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – Funding Gap

Appendix 4 – Capital Budget 2017/18 – 2018/19

Appendix 5 – Highways and Transport Capital Programme 2017/18

Appendix 6 – Draft Budget Book for 2017/18 (distributed separately – TO FOLLOW)

Appendix 7 – Policy for Flexibility around the use of Capital Receipts

Appendix 8 – Statement of Chief Financial Officer on the Robustness of the
Estimates and Adequacy of Reserves 2016-20 – Cabinet Report 8th
February 2017.

Appendix 9 – Pay and Reward Policy

Resource Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	Assumptions
Council Tax	127,068,947	134,220,817	141,775,469	149,755,910	2017/18 based on 1.58% increase in Taxbase, future years assume 1.6% increase in Taxbase p.a. and 3.99% increase in Band D p.a.
Business Rates:					
Business Rates Collected	38,746,737	41,621,088	42,373,597	43,139,711	2017/18 based on NNDR1, future years based on growth of 0.8% and multiplier increase of 1%
Estimated Reduction in Business Rates (s31 see below)		-3,860,000	-3,860,000	-3,860,000	
Top Up Grant	10,119,908	9,481,429	9,786,471	10,134,578	As per Provisional Local Government Finance Settlement 2017
RSG	31,565,931	20,447,511	13,301,166	6,119,050	As per Provisional Local Government Finance Settlement 2017
Collection Fund:					
Council Tax	2,987,003	2,182,897	500,000	500,000	2017/18 based on collection fund estimate
Business Rates	-5,961,407	1,979,273	-500,000	-500,000	2017/18 based on collection fund estimate
NET BUDGET	204,527,118	206,073,014	203,376,703	205,289,250	
Grants included in Core Funding:					
Improved Better Care Fund	0	216,823	4,328,805	0	As per Provisional Local Government Finance Settlement 2017
New Homes Bonus	9,327,598	7,792,449	5,867,971	0	As per Provisional Local Government Finance Settlement 2017
Rural Services Delivery Grant	6,573,303	5,307,636	4,082,797	5,307,636	As per Provisional Local Government Finance Settlement 2017
Transition Grant	575,652	585,686	0	0	As per Provisional Local Government Finance Settlement 2017
Adult Social Care Support Grant	0	1,400,051	0	0	As per Provisional Local Government Finance Settlement 2017
s31 Business Rates Grants	0	3,860,000	3,860,000	3,860,000	
CORE FUNDING	221,003,671	225,235,659	221,516,276	214,456,886	
Local Income					
Fees and charges	66,020,470	73,445,890	74,522,919	75,727,265	
Other Grants and contributions	33,906,417	24,476,890	24,476,890	24,476,890	
Specific Grants (excluding Core Funding Grants above)	238,527,570	231,314,047	231,263,196	231,215,832	
Internal Recharges	10,563,760	8,877,020	8,877,020	8,877,020	
TOTAL FUNDING	570,021,888	563,349,506	560,656,301	554,753,893	

Expenditure Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Original Gross Budget Requirement	576,378,810	590,672,245	579,536,856	584,478,366
Inflationary Growth :				
Pay	1,991,292	1,361,007	1,166,054	996,311
Prices	5,006,995	1,861,804	1,669,604	1,717,763
Pensions	0	2,077,982	3,555	14,575
Demography	15,387,442	7,314,149	6,999,013	7,556,318
National Government Policy changes :				
NI	2,000,000			
Minimum Living Wage (included in pay and prices for adjusted)	1,000,000			
Apprenticeships	500,000			
Local Generated Pressures :				
Debt charges	1,000,000			
Elections		700,000	-700,000	
Grant loss/ grant rolled into Base funding	1,970,870			
Specific Grants Changes between years	2,600,576	-6,307,882	-188,526	-3,412,855
ASC Care Grant removed		1,835,000		
Income Changes	-10,079,103			
All other changes in 2016/17	-746,244	-4,405,737		
Adjustment to Gross budget offset by Income changes	4,536,807	-429,523		
Adjust for Reduction to offset income reduction		-444,000	-320,242	
Savings:				
Add Savings carried forward from 2015/16 to be achieved	15,961,130			
Deduct ongoing Savings - 2016/17	-26,836,330			
Deduct ongoing Savings - 2017/18		-15,026,024		
Deduct ongoing Savings - 2018/19			-3,623,072	
2016/17 Savings not achievable		327,835	-64,875	
TOTAL EXPENDITURE	590,672,245	579,536,856	584,478,366	591,350,479

Funding Gap

	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
Resources	570,021,888	563,349,506	560,656,301	554,753,893
Expenditure	590,672,245	579,536,856	584,478,366	591,350,479
Gap in year	20,650,357	16,187,350	23,822,066	36,596,586
One Off Funding to be used:				
Financial Strategy Reserve	9,355,970			
Rural Services Delivery grant - Ongoing	1,633,119	1,633,119	1,633,119	1,633,119
Rural Services Delivery grant - One Off	4,940,184	3,674,517	2,449,678	3,674,517
Transition Grant - One Off	575,652	585,686		
New Homes Bonus - One Off	4,145,432	2,792,449	867,971	
Adult Social Care Support Grant - One Off		1,400,051		
Improved Better Care Funding		216,823	4,328,805	
Savings BF		890,462	8,851	
One off Monitoring underspends		960,000		
Adult Services Contingency			2,500,000	
Collection Fund Adjustments			2,100,000	
Earmarked Reserves - Freed up		4,034,243	6,374,722	
Free up Conditional Release Reserves		-2,077,982	1,477,383	9,782,924
Free up Conditional Reserves - Pensions		2,077,982	2,081,536	
TOTAL ONE OFF FUNDING	20,650,357	16,187,350	23,822,066	15,090,560
Remaining Gap to be Funded	0	0	0	21,506,026

Capital Budget 2017/18 – 2019/20

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
<u>Place & Enterprise</u>						
<u>Infrastructure & Communities</u>						
Leisure						
Sports Equipment Phase 2	KCL01	P Davis	300,000	0	0	
Total			300,000	0	0	
Waste Services						
In Vessel Composting Facility	K6WMO	P Beard	325,000	0	0	
Total			325,000	0	0	
Highways and Transport - LTP						
Structural Maintenance of Bridges & Structures	KBG%	T Sneddon	3,500,000	1,500,000	0	
Structural Maintenance of Roads		S Brown	15,891,000	10,601,000	0	
Street Lighting		J Hughes	800,000	800,000	0	
Local Transport Plan - Integrated Transport Plan		V Merrill	1,000,000	1,000,000	0	
Total			21,191,000	13,901,000	0	
LEP Schemes						
LEP Oxon Relief Road Project	KOX01	M Johnson	1,300,000	1,900,000	400,000	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
LEP Shrewsbury Integrated Transport Package	KIT01	M Johnson	3,550,000	1,679,079	0	
Total			4,850,000	3,579,079	400,000	
Flood Defences & Water Management						
Church Stretton - Flood & Water Management	K6FW3	T Sneddon	35,000	0	0	
Shifnal - Flood & Water Management	K6FW4	T Sneddon	150,000	222,000	0	
Shropshire IPP Scheme Phase 1	K6FWA	T Sneddon	36,000	0	0	
Shropshire Slow the Flow Project	KEF01	T Sneddon	70,000	70,000	70,000	
Total			291,000	292,000	70,000	
Environmental Maintenance - Depots						
Depot Redevelopment - Unallocated	K6H03	S Brown	90,000	0	0	
Total			90,000	0	0	
Outdoor Partnerships						
Shelton Recreation Ground Pavilion (S106)	KBR07	M Blount	4,750	0	0	
Total			4,750	0	0	
Total Infrastructure & Communities			27,051,750	17,772,079	470,000	
Economic Development						
Economic Growth						
Flaxmill Project - Implementation	K6FM1	A Stirling	500,000	500,000	0	
Shrewsbury Vision - New Riverside Development	K6HR1	A Stirling	150,000	0	0	
Total			650,000	500,000	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Natural & Historical Environment						
Old Rectory, Whitchurch Section 106	KBN01	A Cooper	150,000	0	0	
Total			150,000	0	0	
Planning Policy - Affordable Housing						
Affordable Housing - Rolling Fund	K6AHG	N Wood	346	0	0	
Shrewsbury Self Build Scheme	K6AHT	N Wood	150,000	0	0	
Community Led Affordable Housing Grant Scheme	K6AHV	N Wood	54,000	0	0	
Affordable Housing Contributions Grant Scheme (S106)	K6AHW	N Wood	200,000	0	0	
Total			404,346	0	0	
Broadband Project						
Broadband Project - Milestone 1	KB001	C Taylor	2,000,000	0	0	
Broadband Project - Milestone 3	KB003	C Taylor	1,000,000	0	0	
Broadband Project - Phase 2 - Milestone 0	KB004	C Taylor	472,521	0	0	
Broadband Project - Phase 2 - Milestone 1	KB005	C Taylor	538,335	0	0	
Broadband Project - Phase 2 - Milestone 2	KB006	C Taylor	2,335,988	1,142,104	0	
Broadband Project - Phase 2 - Milestone 3	KB007	C Taylor	0	236,261	0	
Broadband Project - Phase 2b - Lot 1	KB008	C Taylor	2,672,000	5,112,402	1,850,000	
Broadband Project - Phase 2b - Lot 2	KB009	C Taylor	1,021,194	1,021,195	0	
Total			10,040,038	7,511,962	1,850,000	
Total Economic Development			11,244,384	8,011,962	1,850,000	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
<u>Business Enterprise & Commercial Services</u>						
Gypsy Sites						
Travellers Sites Unallocated Grant (Phase 1&2 HCA)	K6T00	J Taylor	4,866	0	0	
Total			4,866	0	0	
Total Business Enterprise & Commercial Services			4,866	0	0	
Total Place & Enterprise			38,301,000	25,784,041	2,320,000	
<u>Adult Services</u>						
Social Care						
Community Capacity Grant	KA000	A Begley	128,000	0	0	New Grant Allocation awaited
IT Hardware - Implementation of Care Bill	K5B02	A Begley	208,825	0	0	
London Road Assisted Living Bungalow - Phase 4	K5B05	A Begley	23,000	0	0	
The Rowans Refurbishment Works	KA019	A Begley	13,000	0	0	
Hearne Way Caretakers Bungalow Refurbishment	KA022	A Begley	10,000	0	0	
Aquamira - New Pool Cover/ additional changing rooms	KA027	A Begley	60,000	0	0	
Aquamira - New Sensory Equipment	KA028	A Begley	12,000	0	0	
Total			454,825	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Housing Health & Wellbeing						
Disabled Facilities Grants	K5P03	L Fisher	0	0	0	New Grant Allocation awaited
HOLD Project	K5P04	L Fisher	1,915,000	0	0	
Total			1,915,000	0	0	
Total Adult Services			2,369,825	0	0	
Public Health						
Private Sector Housing						
Shropshire County Empty Property Incentive Grant	KPS01	K Collier	500,000	0	0	
Total			500,000	0	0	
Total Public Health			500,000	0	0	
Resources & Support						
Customer Involvement						
ICT Digital Transformation	KIC00	M Leith	9,256,230	0	0	
Total			9,256,230	0	0	
Total Resources & Support			9,256,230	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
<u>Childrens Services</u>						
<u>Learning & Skills</u>						
Early Years						
Early Years Unallocated	KLE00	N Ward	100,000	0	0	
Much Wenlock Extension EY Demountable	KLE08	N Ward	40,000	0	0	
Worthen Primary Early Years	K3L12	N Ward	110,000	0	0	
Total			250,000	0	0	
Basic Need						
Basic Need Unallocated	KLB00	P Wilson	2,690,671	0	0	
Shrewsbury Mount Pleasant	KLB01	P Wilson	53,541	0	0	
Shifnal Primary	KLB03	P Wilson	14,293	0	0	
Market Drayton Infant/Junior - Ste TBC	KLB05	P Wilson	380,000	0	0	
Shifnal St Andrews	KLB06	P Wilson	760,000	0	0	
Sundorne Infants/Harlescott Junior - Site TBC	KLB07	P Wilson	400,000	0	0	
Market Drayton Primary	KLB08	P Wilson	400,000	0	0	
Shifnal St Andrews	KLB09	P Wilson	400,000	0	0	
Total			5,098,505	0	0	
School Amalgamations						
School Amalgamations Unallocated	KLA00	P Wilson	100,000	0	0	
Total			100,000	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Condition						
Condition Unallocated	KL000	P Wilson	77,394	0	0	
Belvidere Primary - Re-fenestration and asbestos removal	KL300	P Wilson	27,250	0	0	
Belvidere Secondary - Re-roof Hall	KL301	P Wilson	87,200	0	0	
Coleham Primary - Phase 1 re-wire	KL302	P Wilson	32,700	0	0	
Crowmoor Primary - Re-fenestration to Hall & Kitchen	KL303	P Wilson	87,200	0	0	
Bishops Castle Primary - Demountable re-roof	KL304	P Wilson	16,350	0	0	
Bishops Castle CC - Block A re-roof	KL305	P Wilson	87,200	0	0	
Belvidere Secondary - Phase 5 re-wire	KL306	P Wilson	54,500	0	0	
St Marys Ablbrighton - Renewal of fan convectors	KL364	P Wilson	38,150	0	0	
Gobowen Primary - Replace Kitchen Windows	KL307	P Wilson	10,900	0	0	
Mary Webb Secondary - Phase 2 Replacement Windows	KL308	P Wilson	54,500	0	0	
Mary Webb Secondary - Humanities Block re-wire	KL309	P Wilson	54,500	0	0	
Coleham Primary - Phase 3 Walls, Windows & Doors	KL310	P Wilson	49,050	0	0	
Weston Rhyn Primary - Replace Corridor Windows	KL311	P Wilson	21,800	0	0	
Whitchurch Infants - Phase 2 re-wire	KL312	P Wilson	21,800	0	0	
Market Drayton Infant - Replacement Windows & Doors	KL313	P Wilson	65,400	0	0	
St Giles Primary - Phase 3 Re-wire	KL314	P Wilson	76,300	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Thomas Adams - Kitchen Fan & Canopy replacement	KL315	P Wilson	38,150	0	0	
Woore Primary - Phase 1 re-wire	KL316	P Wilson	16,350	0	0	
Coleham Primary - Replace Gas Meter & Pipework	KL317	P Wilson	16,350	0	0	
Meole Brace Primary - Re-roof KS2	KL318	P Wilson	76,300	0	0	
Brockton Primary - Phase 1 re-wire	KL319	P Wilson	21,800	0	0	
Sundorne Infants - Phase 3 window replacement	KL320	P Wilson	27,250	0	0	
Pontesbury Primary - Phase 2 window replacement	KL321	P Wilson	21,800	0	0	
Whitchurch Infants - Classroom Floors	KL322	P Wilson	21,800	0	0	
Hinstock Primary - Re-roof	KL323	P Wilson	65,400	0	0	
Trinity,Ford - Final re-wire	KL324	P Wilson	21,800	0	0	
Belvidere Secondary - Block 1 re-roof	KL325	P Wilson	109,000	0	0	
Hadnall Primary -Main Toilet Refurbishment	KL326	P Wilson	32,700	0	0	
Cheswardine Primary - Demountable Window Replacement	KL327	P Wilson	10,900	0	0	
Bishops Castle CC - Phase 2 re-wire	KL328	P Wilson	54,500	0	0	
Kinnerley Primary - Phase 1 Heating	KL329	P Wilson	49,050	0	0	
Lower Heath Primary -Phase 2 Window Replacement	KL330	P Wilson	32,700	0	0	
Mereside Primary - Phase 1 re-wire	KL331	P Wilson	32,700	0	0	
Pontesbury Primary - KS2 Girls Toilet Refurbishment	KL332	P Wilson	54,500	0	0	
St Laurence, Ludlow - Hall & Corridor re-wire	KL333	P Wilson	16,350	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Market Drayton Infant - Demountable Window Replacement	KL334	P Wilson	19,620	0	0	
Church Preen Primary - Toilet refurbishment	KL335	P Wilson	43,600	0	0	
Cockshutt Primary - Toilet refurbishment	KL336	P Wilson	16,350	0	0	
Hinstock Primary - Toilet refurbishment	KL337	P Wilson	32,700	0	0	
Market Drayton Junior - Phase 1 Windows	KL338	P Wilson	32,700	0	0	
Much Wenlock - KS2 Toilet refurbishment	KL339	P Wilson	16,350	0	0	
Newtown Primary - Toilet refurbishment	KL340	P Wilson	21,800	0	0	
St Georges Primary - Phase 2 Toilet refurbishment	KL341	P Wilson	43,600	0	0	
St Lawrence Primary - Toilet refurbishment	KL342	P Wilson	65,400	0	0	
Stiperstones Primary - Toilet refurbishment	KL343	P Wilson	43,600	0	0	
Trinity,Ford - Junior Toilet refurbishment	KL344	P Wilson	54,500	0	0	
Woore Primary - Toilet refurbishment	KL345	P Wilson	38,150	0	0	
St Peters Wem, Phase 3 slate re-roof	KL346	P Wilson	98,100	0	0	
Castlefields Primary - replacement windows	KL347	P Wilson	32,700	0	0	
Thomas Adams - window replacement	KL348	P Wilson	43,600	0	0	
Grove - Window fenestration 3 storey block	KL349	P Wilson	152,600	0	0	
Hinstock Primary - window replacement	KL350	P Wilson	27,250	0	0	
Woodfield Primary - replace kitchen roof	KL365	P Wilson	92,650	0	0	
Thomas Adams - Phase 3 re-wire	KL351	P Wilson	54,500	0	0	
Bryn Offa Primary - Phase 3 re-wire	KL352	P Wilson	21,800	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Brockton Primary - replace front elevation windows	KL353	P Wilson	21,800	0	0	
Brockton Primary - part re-wire, asbestos removal	KL354	P Wilson	32,700	0	0	
Much Wenlock - rotten timber replacement	KL355	P Wilson	32,700	0	0	
Meole Brace Primary - KS2 Hall re-roof	KL356	P Wilson	49,050	0	0	
Meole Brace Secondary - replacement of timber to south	KL357	P Wilson	54,500	0	0	
Meole Brace Secondary - replacement of timber to side	KL358	P Wilson	54,500	0	0	
Meole Brace Secondary - replacement of timber windows	KL359	P Wilson	38,150	0	0	
Minsterley Primary - Phase 1 re-wire	KL360	P Wilson	54,500	0	0	
Meole Brace Primary - Phase 3 re-wire	KL361	P Wilson	54,500	0	0	
Chirbury Primary - Demountable Toilet refurbishment	KL362	P Wilson	27,250	0	0	
Stiperstones Primary - remove render & repair stone	KL363	P Wilson	27,250	0	0	
Total			2,980,064	0	0	
Energy Efficiency						
Various - Boiler Control Replacement	KLGO1	P Wilson	32,700	0	0	
Whitchurch Infants - phase 2 single pipe heating system	KLGO2	P Wilson	32,700	0	0	
Mereside Primary - Boiler & Controls Upgrade	KLGO3	P Wilson	54,500	0	0	
Woodlands primary - Boiler & Controls Upgrade	KLGO4	P Wilson	98,100	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Trinity, Ford - Replace Heating Boiler	KLG05	P Wilson	54,500	0	0	
Total			272,500	0	0	
Fire Safety Schemes						
Clive Primary - Fire Alarm Replacement	KLF30	P Wilson	5,450	0	0	
Total			5,450	0	0	
Suitability						
Kinlet Primary - Heads Office/PPA/Lobby Works	K3A54	P Wilson	3,292	0	0	
Bicton Primary -Eco Classroom	KLP14	P Wilson	4,694	0	0	
Farlow P)primary- PPA Space & Headteachers Office	KLS11	P Wilson	49,950	0	0	
Norbury Primary- PPA Space	KLS12	P Wilson	76,300	0	0	
Stoke On Tern Primary - PPA Space	KLS13	P Wilson	32,700	0	0	
Hodnet - Secure Access	KLS14	P Wilson	155,400	0	0	
Total			322,336	0	0	
Special Education Needs						
Schools Access Initiative Unallocated	KLD00	P Wilson	50,000	0	0	
Total			50,000	0	0	
Devolved Formula Capital			900,000	0	0	
Total Learning & Skills			9,978,855	0	0	
Total Children's Services			9,978,855	0	0	

Scheme Description	Code	Project Manager	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	Further Details
Total General Fund Capital Programme			60,405,910	25,784,041	2,320,000	
<u>Housing Revenue Account</u>						
Major Repairs Programme						
Housing Major Repairs Programme - Unallocated	K5P01	A Begley	3,769,393	0	0	
STaR Roofing	K5R05	A Begley	80,000	0	0	
STaR Major Works	K5R06	A Begley	150,000	0	0	
STaR Kitchens & Bathrooms	K5R07	A Begley	400,000	0	0	
STaR Heating Insulation Works (Liberty)	K5R14	A Begley	150,000	0	0	
STaR Sewage Treatment Works	KSH01	A Begley	60,000	0	0	
STaR Asbestos Removal	KSH02	A Begley	90,000	0	0	
STaR Off Grid Properties Investment	KSH06	A Begley	300,000	0	0	
STaR Heating Works - Reactive	KSH07	A Begley	300,000	0	0	
Total			5,299,393	0	0	
New Build Programme						
Housing New Build Programme - Phase 2	KSNB2	A Begley	53,074			
Housing New Build Programme - Phase 3	KSNB3	A Begley	300,000	16,319	0	
Total			353,074	16,319	0	
Total Housing Revenue Account			5,652,467	16,319	0	
Total Capital Programme			66,058,377	25,800,360	2,320,000	

<u>Financing</u>			2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	
Self Financed Prudential Borrowing			300,000	0	0	
Government Grants						
Department for Transport			21,691,000	14,901,000	0	
Department for Health - Better Care Fund			0	0	0	New Grant Allocation awaited
Department for Health - HOLD Grant			1,915,000	0	0	
Department for Education						
- Condition Capital Grant			3,322,364	0	0	
- Basic Need Capital Grant			1,798,306	0	0	
- Devolved Formula Capital			900,000	0	0	
HCA - Travellers			4,866	0	0	
HCA - New Build			62,500	0	0	
BDUK - Broadband			4,368,038	7,011,962	0	
Environment Agency			291,000	292,000	70,000	
Local Enterprise Partnership (LEP) Fund			4,961,000	2,700,000	1,566,372	
			39,314,074	24,904,962	1,636,372	
Other Grants						
Other Grants			0	0	0	
Other Contributions						
Section 106			382,750	0	0	
Community Infrastructure Levy (CIL)			0	0	0	
Other Contributions			0	0	0	
			382,750	0	0	
Financing			2017/18	2018/19	2019/20	

			Budget £	Budget £	Budget £	
Revenue Contributions to Capital			709,040	0	0	
Major Repairs Allowance			4,833,074	0	0	
Corporate Resources (expectation - Capital Receipts only)			20,519,439	895,398	683,628	
Total Confirmed Funding			66,058,377	25,800,360	2,320,000	

Highways and Transport Capital Programme 2017/18

The Department of Transport has confirmed allocations of capital highways funding for 2017/18 and indicative allocations for 2018/19 to 2020/21. The funding for the next 3 years is summarised below, together with the summary allocation of the budget and the detailed list of schemes to be delivered. In addition to the Highways Maintenance allocation on a needs-based formula, for 2017/18 onwards, there is a further £580 million that will be allocated nationally based on incentivising good asset management and efficiencies. Shropshire Council has submitted the required self-assessment exercise to Department for Transport and is waiting confirmation of the additional funding (indicative estimate £1,236,000) to be received for 2017/18. For the purpose of budget setting it has been assumed that Shropshire will be awarded the minimum level 2 assessment as received in 2016/17.

The highways capital maintenance programme is developed based on an Asset Management approach. With funding allocations based on using network intelligence gained from routine condition surveys as well as other sources of information; investment will be prioritised where it will achieve the greatest returns.

Integrated transport schemes are prioritised based on the contributions to key objectives such as safety, network efficiency, environmental benefits and levels of local support.

Highways and Partners are developing a much improved, coordinated and managed process for schemes and projects, via a centralised team, working directly with Ringway. The new Engineering consultancy contract will allow for new methods of delivery and procurement of work and schemes. However, the programme will be dynamic and there may be the need to deviate from the approved programme in year. As such, authority is delegated to the Area Commissioner South in consultation with the Portfolio Holder to approve any changes to the implementation plan of schemes for delivery in 2017/18, within the parameters of the outline capital programme.

Funding in capital Programme	2017/18 £	2018/19 £	2019/20 £
DfT - Maintenance Block	14,667,000	13,275,000	13,275,000
DfT - Integrated Transport Block	1,626,000	1,626,000	1,626,000
Dft - Incentivisation Funding	1,236,000	2,765,000	2,765,000
DfT - Pothole Action Fund	1,335,000	-	-
	18,864,000	17,666,000	17,666,000

Appendix 5

Summary of Programme to be delivered	2017/18 Budget £	Financing			2018/19 Provisional Budget £	2019/20 Provisional Budget £
		DfT - Maintenance Block	DfT - Integrated Transport	DfT - Pothole Action Fund		
Highways						
Structural Maintenance of Bridges & Structures						
Bridgeguard & Structure Programme	4,000,000	4,000,000			1,500,000	1,500,000
Structural Maintenance of Roads						
Countywide Programme						
Major Resurfacing Programme	2,435,000	2,435,000				
Centrally Managed Ringway Surface Dressing Programme	2,000,000	2,000,000				
Countywide Re-Surfacing/Patching Schemes Tender Package	3,000,000	3,000,000				
Drainage	250,000	250,000				
Depot Fixed Costs	1,200,000	1,074,000	126,000			
Countywide Roadmaster Programme	500,000	265,000		235,000		
Countywide Permanent Repair Programme	1,100,000			1,100,000		
Countywide Unallocated Budget	1,079,000	1,079,000			13,366,000	13,866,000
Total Countywide Programme	11,564,000	10,103,000	126,000	1,335,000	13,366,000	13,866,000
North West Shropshire	240,000	240,000				
North East Shropshire	240,000	240,000				
South East Shropshire	240,000	240,000				
Central Shropshire	240,000	240,000				
South West Shropshire	240,000	240,000				
Total Structural Maintenance of Roads	12,764,000	11,303,000	126,000	1,335,000	13,366,000	13,866,000
Street Lighting						
Street Lighting	600,000	600,000			800,000	800,000
Integrated Transport						
Integrated Transport	1,000,000		1,000,000		1,000,000	1,000,000
Contribution towards other schemes: Shrewsbury Integrated Transport Package	500,000		500,000		1,000,000	500,000
	1,500,000	-	1,500,000	-	2,000,000	1,500,000
Total	18,864,000	15,903,000	1,626,000	1,335,000	17,666,000	17,666,000

In addition to the above table of funding the Department for Transport have awarded the Council £2,827,000 as their share of the National Productivity Investment Fund.

Detailed Highways & Transport Capital Programme 2017/18

COST CENTRE	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Structural Maintenance of Bridges & Structures								
KBG01	BRIDGEGUARD - UNALLOCATED RESPONSIVE BUDGET	N/A		N/A		N/A	N/A	104,095
KBG03	BRIDGEGUARD - CONSULTANCY FEES	N/A		N/A		N/A	N/A	540,000
KBG05	BRIDGEGUARD - HADNALL CULVERT	N/A		N/A	RETENTION	N/A	N/A	30,155
KBG07	BRIDGEGUARD - SNAILBEACH RETAINING WALL	N/A		N/A	RETENTION	N/A	N/A	1,750
KBG29	BRIDGEGUARD - TWMPATH BRIDGE	N/A		N/A		N/A	N/A	5,000
KBG33	BRIDGEGUARD - SANDYFORD BRIDGE	N/A		N/A		N/A	N/A	100,000
KBG39	ROW - MORVILLE NO 1 FOOTBRIDGE	N/A		N/A		N/A	N/A	50,000
KBG41	ROW - EATON BROOK FOOTBRIDGE	N/A		N/A		N/A	N/A	20,000
KBG45	BRIDGEGUARD - BRIDGNORTH BYPASS	N/A		N/A		N/A	N/A	2,600,000
KBG49	BRIDGEGUARD - WINTERBURN BRIDGE	N/A		N/A		N/A	N/A	160,000
KBG50	BRIDGEGUARD - DEAN CULVERT BRIDGE	N/A		N/A		N/A	N/A	1,500
KBG51	BRIDGEGUARD - HARPSWOOD NO 2 CULVERT	N/A		N/A		N/A	N/A	65,000
KBG52	BRIDGEGUARD - CASTLEWALK FOOTBRIDGE SHREWSBURY	N/A		N/A		N/A	N/A	40,000
KBG53	ROW - FORD FOOTBRIDGE	N/A		N/A		N/A	N/A	50,000
KBG55	ROW - HOGSTOW HALL FOOTBRIDGE	N/A		N/A		N/A	N/A	15,000
KBG60	BRIDGEGUARD - SWAN BACH (BOUNDARY) BRIDGE	N/A		N/A		N/A	N/A	0
KBG61	BRIDGEGUARD - WINDMILL LANE CANAL BRIDGE	N/A		N/A		N/A	N/A	0
KBG63	BRIDGEGUARD - GASWORKS (SALOP) BRIDGE OWESTRY	N/A		N/A		N/A	N/A	150,000
KBG64	BRIDGEGUARD - BETTON STREET FOOTBRIDGE	N/A		N/A		N/A	N/A	2,500
KBG65	ROW - ADCOTE MILL	N/A		N/A		N/A	N/A	50,000
KBG66	INWOOD CATTLE GRID	N/A		N/A		N/A	N/A	15,000
Total Structural Maintenance of Bridges & Structures								4,000,000
Structural Maintenance of Roads								
Structural Maintenance of Principal Roads								
Countywide								
Depot Fixed Costs - Principal								
KGP01	DEPOT FIXED COSTS - PRINCIPAL	N/A		N/A		N/A	N/A	400,000
Countywide Resurfacing								
KHP11	A490 CHIRBURY TO COUNTY BOUNDARY	N/A	N/A	Retention Payment for 16/17 Scher	Surfacing	N/A	N/A	50,380
KHP16	A41 TERN HILL ROUNDABOUT	N/A	N/A	Retention Payment for 16/17 Scher	Surfacing	N/A	N/A	13,800
KHP17	A529 ADDERLEY TO COUNTY BOUNDARY	N/A	N/A	Retention Payment for 16/17 Scher	Surfacing	N/A	N/A	34,758
KHP19	A4117 BRIDGNORTH JUNC TO WESTON FM CLEOBURY MO	N/A	N/A	Retention Payment for 16/17 Scher	Surfacing	N/A	N/A	32,231
KHP20	WEeping CROSS ROUNDABOUT & LINK ROADS	N/A	N/A	Retention Payment for 16/17 Scher	Surfacing	N/A	N/A	16,314
KHP21	A495 PORTH Y WAEN TO LLAMSAINTFFRAID JUNCTION	N/A	N/A	Resurfacing	Surfacing	N/A	N/A	605,000
KHP23	A41 HINSTOCK	N/A	N/A	Resurfacing	Surfacing	N/A	N/A	670,000
								1,422,483
Countywide Drainage								
KPS9F	UNALLOCATED RESPONSIVE BUDGET	N/A		N/A		N/A	N/A	250,000
								250,000
Total Structural Maintenance of Principal Roads								2,072,483

COST CENTRE	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Structural Maintenance of Secondary Roads								
Countywide								
Depot Fixed Costs - Secondary								
K6S01	DEPOT FIXED COSTS - SECONDARY	N/A		N/A		N/A	N/A	800,000
Centrally Managed Ringway Secondary Surfacing Programme								
KHSA1	COUNTYWIDE							2,000,000
Countywide Resurfacing								
KHS15	B5065 PRESS GREEN TO LOWER HOUSE			Retention Payment for 16/17 Scheme	Surfacing	N/A	N/A	32,231
KHS18	B4397 LOPPINGTON TO HORTON			Resurfacing	Surfacing	N/A	N/A	351,000
KHS16	B4364 NEENTON			Resurfacing	Surfacing	N/A	N/A	308,000
KN59A	Countywide Secondary Roads Resurfacing							321,286
1,012,517								
Countywide Patching Schemes Tender Package								
KHT02	SOUTH WEST	N/A	N/A	N/A		N/A	N/A	600,000
KHT02	SOUTH EAST	N/A	N/A	N/A		N/A	N/A	600,000
KHT02	CENTRAL	N/A	N/A	N/A		N/A	N/A	600,000
KHT02	NORTH WEST	N/A	N/A	N/A		N/A	N/A	600,000
KHT02	NORTH EAST	N/A	N/A	N/A		N/A	N/A	600,000
3,000,000								
North West Shropshire								
Unallocated								
KHS1A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A	95,312
Kerbs, Footways & Cycle tracks								
KHS1J	BERLLAN CLOSE, WESTON RHYN	BERLLAN CLOSE	Whole link	Footway reconstruction	footway resurfacing	322.5	Sq M	4,128
KHS1J	OLD WHITTINGTON ROAD, GOBOWEN	OLD WHITTINGIN ROAD	Whole link	Footway reconstruction	footway resurfacing	882	Sq M	11,290
KHS1J	AGNES HUNT CLOSE, GOBOWEN (40MPH SECTION)	AGNES HUNT CLOSE	Whole link	Footway reconstruction	footway resurfacing	24	Sq M	307
KHS1J	AGNES HUNT CLOSE, GOBOWEN (30'S TO MEMORIAL)	AGNES HUNT CLOSE	Whole link	Footway reconstruction	footway resurfacing	86.4	Sq M	1,106
KHS1J	AGNES HUNT CLOSE, GOBOWEN (MAIN LOOP FROM MEMORIAL)	AGNES HUNT CLOSE	Whole link	Footway reconstruction	footway resurfacing	360	Sq M	4,608
KHS1J	CHIRK ROAD, CHIRK BANK (OAKLANDS ROAD TO TELFORD)	CHIRK ROAD	Whole link	Footway reconstruction	footway resurfacing	336.7	Sq M	4,310
KHS1J	BROWNHILLS, RUYTON (LITTLE NESS RD JUNC TO PLATT BRIDGE)	BROWNHILLS	Whole link	Footway reconstruction	footway resurfacing	1319.5	Sq M	16,890
KHS1J	LABURNAM DRIVE, OSWESTRY	LABURNAM DRIVE	Whole link	Footway reconstruction	footway resurfacing	1572	Sq M	20,122
KHS1J	SALOP ROAD, OSWESTRY	SALOP ROAD	Whole link	Footway reconstruction	footway resurfacing	2720	Sq M	34,816
KHS1J	NEW ROAD, ST MARTINS	NEW ROAD	Whole link	Footway reconstruction	footway resurfacing	133.5	Sq M	1,709
KHS1J	OSBOURNE CORNER TO ELLESMERE		Whole link	Footway reconstruction	footway resurfacing	397.5	Sq M	5,088
KHS1J	SCHOOL LANE, GOBOWEN	SCHOOL LANE	Whole link	Footway Slurry sealing	Slurry seal	60	Sq M	210
KHS1J	DAYWELL CRESCENT, GOBOWEN	DAYWELL CRESCENT	Whole link	Footway Slurry sealing	Slurry seal	120	Sq M	420
KHS1J	DAYWELL CRESCENT, GOBOWEN	DAYWELL CRESCENT	Whole link	Footway Slurry sealing	Slurry seal	72	Sq M	252
KHS1J	CHURCH GREEN, COCKSHUTT	CHURCH GREEN	Whole link	Footway Slurry sealing	Slurry seal	180	Sq M	630
KHS1J	THE PARKLANDS, COCKSHUTT	THE PARKLANDS	Whole link	Footway Slurry sealing	Slurry seal	97.5	Sq M	341
KHS1J	FIVE WAYS TO OSWESTRY (30'S TO 40'S)		Whole link	Footway Slurry sealing	Slurry seal	567	Sq M	198
KHS1J	FIVE WAYS TO OSWESTRY (40'S TO A5)		Whole link	Footway Slurry sealing	Slurry seal	1581.6	Sq M	5,535
KHS1J	RUYTON TO BASCHURCH (RUYTON 30'S TO 40'S)		Whole link	Footway Slurry sealing	Slurry seal	254	Sq M	890
KHS1J	RUYTON TO BASCHURCH (RUYTON 40'S TO BASCHURCH 40'S)		Whole link	Footway Slurry sealing	Slurry seal	1269	Sq M	4,442
KHS1J	RUYTON TO BASCHURCH (BASCHURCH 40'S TO BASCHURCH 30'S)		Whole link	Footway Slurry sealing	Slurry seal	372	Sq M	1,302
KHS1J	RUYTON TO BASCHURCH (BASCHURCH 30'S TO NEWTOWN X-RDS)		Whole link	Footway Slurry sealing	Slurry seal	87	Sq M	305
KHS1J	WOODSIDE, OSWESTRY (MAIN RD TO T-PIECE)		Whole link	Footway Slurry sealing	Slurry seal	315	Sq M	1,103
KHS1J	VYRNWY ROAD, OSWESTRY	VYRNWY ROAD	Whole link	Footway Slurry sealing	Slurry seal	1473	Sq M	5,156
KHS1J	CRANBROOK DRIVE, OSWESTRY	CRNBROOK DRIVE	Whole link	Footway Slurry sealing	Slurry seal	90	Sq M	315
KHS1J	FINDON DRIVE, OSWESTRY	FINDON DRIVE	Whole link	Footway Slurry sealing	Slurry seal	96	Sq M	336
KHS1J	DENHAM DRIVE, OSWESTRY	DENHAM DRIVE	Whole link	Footway Slurry sealing	Slurry seal	150	Sq M	525
KHS1J	THORNHURST AVENUE, OSWESTRY	THORNHURST AVENUE	Whole link	Footway Slurry sealing	Slurry seal	522	Sq M	1,827
KHS1J	SOUTH VIEW, OSWESTRY	SOUTH VIEW	Whole link	Footway Slurry sealing	Slurry seal	114	Sq M	399
KHS1J	WHITE MINSTER, OSWESTRY	WHITE MINSTER	Whole link	Footway Slurry sealing	Slurry seal	399.6	Sq M	1,399
KHS1J	PRINCE CHARLES ROAD, OSWESTRY	PRINCE CHARLES ROAD	Whole link	Footway Slurry sealing	Slurry seal	402	Sq M	1,407
KHS1J	PRINCE CHARLES CLOSE, OSWESTRY	PRINCE CHARLES ROAD	Whole link	Footway Slurry sealing	Slurry seal	174	Sq M	609
KHS1J	SYCAMORE DRIVE, OSWESTRY	SYCAMORE DRIVE	Whole link	Footway Slurry sealing	Slurry seal	228	Sq M	798
KHS1J	CHERRY TREE DRIVE, OSWESTRY	CHERRY TREE DRIVE	Whole link	Footway Slurry sealing	Slurry seal	1179	Sq M	4,127
KHS1J	WOODSIDE, OSWESTRY (MAIN RD TO T-PIECE)	WOODSIDE	Whole link	Footway Slurry sealing	Slurry seal	309	Sq M	1,082
KHS1J	ELM COURT, ELSON (MAIN ROAD TO SUB-STATION)	ELM COURT	Whole link	Footway Slurry sealing	Slurry seal	64.5	Sq M	226
KHS1J	ELM COURT, ELSON (JUNC BERSE TO END OF CUL-DE-SAC)	ELM COURT	Whole link	Footway Slurry sealing	Slurry seal	124.5	Sq M	436
KHS1J	THE HAWTHORNS, ELLESMERE (MAIN SECTION)	THE HAWTHORNS	Whole link	Footway Slurry sealing	Slurry seal	471	Sq M	1,645
KHS1J	HOLLY CLOSE, ELLESMERE	HOLLY CLOSE	Whole link	Footway Slurry sealing	Slurry seal	222	Sq M	777
KHS1J	BRACKEN RISE, ELLESMERE	BRACKEN RISE	Whole link	Footway Slurry sealing	Slurry seal	118.5	Sq M	415
KHS1J	OVERTON ROAD, ST MARTINS (SCHOOL LANE JCT TO YEW)	OVERTON ROAD	Whole link	Footway Slurry sealing	Slurry seal	375	Sq M	1,313
KHS1J	BIRCH ROAD, ELLESMERE	BIRCH ROAD	Whole link	Footway Slurry sealing	Slurry seal	540	Sq M	1,890
144,690								

Appendix 5

COST CENTRE	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
North East Shropshire								
Unallocated								
KHS2A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A	207,280
Drainage Structures								
KHS2H	RUEWOOD GRANGE JUNC TO TILLEY ROAD			Drainage Improvement	Adj to Tilley Road Bridge# APPROX 230M PIPE AND NEW			2,680
KHS2H	WAYLAND ROAD, WHITCHURCH			Drainage Improvement	connection to existing system to alleviate flooding			0
KHS2H	OSSAGE LANE, OUTSIDE ROSE FARM			Drainage Improvement	NEW GULLY AND OUTFALL TO DITCH 70M			0
KHS2H	PLEX ROAD, HADNALL			Drainage Improvement	HEADWALL IN DITCH TO LARGER GULLY AND ROAD CROSSING			0
								2,680
Kerbs, Footways & Cycle tracks								
KHS2J	SHREWSBURY RD, MARKET DRAYTON (BUNTINGS DALE RD)	SHREWSBURY ROAD	Whole link	Footway reconstruction	Footway Re-surface	630	Sq M	1,300
KHS2J	LOWE HILL ROAD, WEM	LOWE HILL ROAD	Whole link	Footway reconstruction	Footway Re-surface	516	Sq M	980
KHS2J	SHREWSBURY ROAD, MARKET DRAYTON	SHREWSBURY ROAD	Whole link	Footway reconstruction	Footway Re-surface			0
KHS2J	EGERTON PLACE, IN FRONT OF BUNGALOWS	EGERTON PLACE	Whole link	Footway reconstruction	Footway Re-surface			0
KHS2J	WALKMILL ROAD	WALKMILL ROAD	Whole link	Footway reconstruction	Footway Re-surface			0
KHS2J	GROTTO ROAD, MARKET DRAYTON (MAIN ROAD)	GROTTO ROAD	Whole link	Footway Slurry sealing	Slurry seal	655	Sq M	1,240
KHS2J	SIMONS ROAD, MARKET DRAYTON	SIMONS ROAD	Whole link	Footway Slurry sealing	Slurry seal	240	Sq M	450
KHS2J	ALEXANDRA ROAD, MARKET DRAYTON (30MPH SECTION)	ALEXANDRA ROAD	Whole link	Footway Slurry sealing	Slurry seal	1020	Sq M	1,930
KHS2J	ROWAN ROAD, MARKET DRAYTON	ROWAN ROAD	Whole link	Footway Slurry sealing	Slurry seal	2500	Sq M	4,730
KHS2J	WINDSOR DRIVE, MARKET DRAYTON	WINDSOR DRIVE	Whole link	Footway Slurry sealing	Slurry seal	950	Sq M	1,800
KHS2J	BALMORAL DRIVE, MARKET DRAYTON	BALMORAL DRIVE	Whole link	Footway Slurry sealing	Slurry seal	390	Sq M	740
KHS2J	GLEBELANDS, SHAWBURY (FIRST JUNCTION OFF POYNTON)	GLEBELANDS	Whole link	Footway Slurry sealing	Slurry seal	1904	Sq M	3,600
KHS2J	NOBLE STREET, WEM	NOBLE STREET	Whole link	Footway Slurry sealing	Slurry seal	900	Sq M	1,700
KHS2J	POYNTON ROAD, SHAWBURY (CHURCH STREET JUNC WITH)	PONTON ROAD	Whole link	Footway Slurry sealing	Slurry seal	1335	Sq M	2,520
KHS2J	PARK ROAD, WEM	PARK ROAD	Whole link	Footway Slurry sealing	Slurry seal	661	Sq M	1,250
KHS2J	SHRUBBERY GARDENS, WEM (SECTION OFF STATION RD SE)	SHRUBBERY GARDENS	Whole link	Footway Slurry sealing	Slurry seal	1452	Sq M	2,740
KHS2J	B5065 SOULTON ROAD, WEM (RAILWAY CROSSING TO CHL)	SOULTON ROAD	Whole link	Footway Slurry sealing	Slurry seal	1275	Sq M	2,410
KHS2J	ASTON ROAD, WEM (FROM JUNCTION AT SOULTON ROAD)	ASTON ROAD	Whole link	Footway Slurry sealing	Slurry seal	900	Sq M	1,700
KHS2J	THE FIRS, WHITCHURCH (SECOND CUL-DE-SAC ON LHS)	THE FIRS	Whole link	Footway Slurry sealing	Slurry seal	504	Sq M	950
KHS2J	EGERTON ROAD	EGERTON PLACE	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	WOLLERTON 30MPH		Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	NEWTOWN, WHITCHURCH	NEWTOWN	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	CASTLE HILL, WHITCHURCH	CASTLE HILL	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	ANCHOR CLOSE, WHITCHURCH	ANCHOR CLOSE	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	WREXHAM ROAD, WHITCHURCH	WREXHAM ROAD	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	TALBOT CRESCENT, WHITCHURCH	TALBOT CRESCENT	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	CALDECOTT CRESCENT, WHITCHURCH	CALDECOTT CRESCENT	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	SHARPS DRIVE, WHITCHURCH	SHARPS DRIVE	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	BOWENSFIELD, WEM	BOWENSFIELD	Whole link	Footway Slurry sealing	Slurry seal			0
KHS2J	ASTON STREET, WEM	ASTON STREET	Whole link	Footway Slurry sealing	Slurry seal			0
								30,040
South East Shropshire								
Unallocated								
KHS4A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A	83,000
Drainage Structures								
KHS4H	B4363 MARLBROOK BRIDGE				Drainage improvement			5,000
KHS4H	LION LANE ROMSLEY				Drainage improvement			8,000
KHS4H	DYE LANE ALVELEY				Drainage improvement			7,000
KHS4H	CHESTERTON				Drainage improvement			12,000
								32,000

COST C£	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Kerbs, Footways & Cycle tracks								
KHS4J	THREE ASHES ROAD	THREE ASHES ROAD		Footway reconstruction	footway resurfacing	309.6	Sq M	4,000
KHS4J	ROSEHILL DRIVE	ROSEHILL DRIVE		Footway reconstruction	footway resurfacing	594	Sq M	13,000
KHS4J	VICTORIA ROAD	VICTORIA ROAD		Footway reconstruction	footway resurfacing	400	Sq M	6,000
KHS4J	SYDNEY COTTAGE DRIVE	SYDNEY COTTAGE DRIVE		Footway reconstruction	footway resurfacing	338	Sq M	4,000
KHS4J	LISTLEY STREET BRIDGNORTH	LISTLEY STREET		Footway reconstruction	footway resurfacing	684	Sq M	9,000
KHS4J	BIRCH GROVE	BIRCH GROVE		Footway reconstruction	footway resurfacing	1138	Sq M	13,000
KHS4J	GOLDEN ACRES	GOLDEN ACRES		Footway reconstruction	footway resurfacing	410	Sq M	5,000
KHS4J	PARK VIEW	PARK VIEW		Footway reconstruction	footway resurfacing	720	Sq M	8,000
KHS4J	PARK VIEW	PARK VIEW		Footway reconstruction	footway resurfacing	360	Sq M	6,000
KHS4J	CORONATION STREET	CORONATION STREET		Footway reconstruction	footway resurfacing	446	Sq M	6,000
KHS4J	QUEEN STREET BROSELEY	QUEEN STREET	whole link	Footway Slurry sealing	slurry seal	229	Sq M	1,000
KHS4J	STATION ROAD DITTON PRIORS	STATION ROAD	whole link	Footway Slurry sealing	slurry seal	540	Sq M	2,000
KHS4J	BEECHURST GARDENS ALBRIGHTON	BEECHURST GARDENS	whole link	Footway Slurry sealing	slurry seal	128	Sq M	1,000
KHS4J	BRIDGNORTH ROAD	BRIDGNORTH ROAD	whole link	Footway Slurry sealing	slurry seal	3856	Sq M	8,000
KHS4J	APPLE ACRE	APPLE ACRE	whole link	Footway Slurry sealing	slurry seal	187	Sq M	1,000
KHS4J	OAK STREET HIGHLEY	OAK STREET	whole link	Footway Slurry sealing	slurry seal	502	Sq M	3,000
KHS4J	ASH STREET HIGHLEY	ASH STREET	whole link	Footway Slurry sealing	slurry seal	428	Sq M	1,000
KHS4J	BEECH STREET HIGHLEY	BEECH STREET	whole link	Footway Slurry sealing	slurry seal	703	Sq M	3,000
KHS4J	THE SHOPS HIGHLEY	THE SHOPS HIGHLEY	whole link	Footway Slurry sealing	slurry seal	230	Sq M	1,000
KHS4J	LUDLOW ROAD BRIDGNORTH	LUDLOW ROAD	whole link	Footway Slurry sealing	slurry seal	90	Sq M	1,000
KHS4J	LUDLOW ROAD BRIDGNORTH	LUDLOW ROAD	whole link	Footway Slurry sealing	slurry seal	207	Sq M	2,000
KHS4J	BELL LANE TO HOLMES ORCHARD	BELL LANE TO HOLMES ORCHARD	whole link	Footway Slurry sealing	slurry seal	184	Sq M	1,000
KHS4J	INNAGE GARDENS	INNAGE GARDENS	whole link	Footway Slurry sealing	slurry seal	171	Sq M	2,000
KHS4J	BRIDGE STREET BRIDGNORTH	BRIDGE STREET	whole link	Footway Slurry sealing	slurry seal	480	Sq M	2,000
KHS4J	UNDERHILL STREET BRIDGNORTH	UNDERHILL STREET	whole link	Footway Slurry sealing	slurry seal	1392	Sq M	5,000
KHS4J	UNDERHILL STREET BRIDGNORTH	UNDERHILL STREET	whole link	Footway Slurry sealing	slurry seal	189	Sq M	1,000
KHS4J	UNDERHILL STREET BRIDGNORTH	UNDERHILL STREET	whole link	Footway Slurry sealing	slurry seal	189	Sq M	1,000
KHS4J	WHITE LADIES COURT ALBRIGHTON	WHITE LADIES COURT	whole link	Footway Slurry sealing	slurry seal	270	Sq M	1,000
KHS4J	GRANGE PARK ALBRIGHTON	GRANGE PARK	whole link	Footway Slurry sealing	slurry seal	1235	Sq M	6,000
KHS4J	GRANGE PARK ALBRIGHTON	GRANGE PARK	whole link	Footway Slurry sealing	slurry seal	126	Sq M	1,000
KHS4J	FAIR LAWN ALBRIGHTON	FAIR LAWN	whole link	Footway Slurry sealing	slurry seal	803	Sq M	3,000
KHS4J	FAIR LAWN ALBRIGHTON	FAIR LAWN	whole link	Footway Slurry sealing	slurry seal	436	Sq M	1,000
KHS4J	DELAWARE AVENUE ALBRIGHTON	DELAWARE AVENUE	whole link	Footway Slurry sealing	slurry seal	1066	Sq M	3,000
KHS4J	REDFORD DRIVE ALBRIGHTON	REDFORD DRIVE	whole link	Footway Slurry sealing	slurry seal	317	Sq M	1,000
								126,000
Central Shropshire								
Unallocated								
KHS5A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A	173,300
Kerbs, Footways & Cycle tracks								
KHS5J	STAPLETON ROAD	STAPLETON ROAD	Whole street	Footway reconstruction				17,200
KHS5J	SHOMERE CRESCENT	SHOMERE CRESCENT	Whole street	Footway reconstruction				6,700
KHS5J	SHREWSBURY ROAD, BOMERE HEATH (CROSS-ROADS TO V	SHREWSBURY ROAD	Whole street	Footway reconstruction				2,800
KHS5J	MERRINGTON RD, BOMERE HEATH	MERRINGTON ROAD	Whole street	Footway reconstruction				1,800
KHS5J	HAWKESTONE ROAD	HAWKESTONE ROAD	Whole street	Footway reconstruction				0
KHS5J	WHITCHURCH SERVICE ROAD	WHITCHURCH SERVICE ROAD	Whole street	Footway reconstruction				0
KHS5J	SUNDORNE SERVICE ROAD	SUNDORNE SERVICE ROAD	Whole street	Footway reconstruction				0
KHS5J	NEW PARK STREET	NEW PARK STREET	Whole street	Footway Slurry sealing				800
KHS5J	VICTORIA STREET	VICTORIA STREET	Whole street	Footway Slurry sealing				1,300
KHS5J	SEVERN STREET	SEVERN STREET	Whole street	Footway Slurry sealing				1,200
KHS5J	LINDLEY STREET	LINDLEY STREET	Whole street	Footway Slurry sealing				500
KHS5J	JOHN STREET	JOHN STREET	Whole street	Footway Slurry sealing				1,100
KHS5J	DORSET STREET	DORSET STREET	Whole street	Footway Slurry sealing				300
KHS5J	BURTON STREET	BURTON STREET	Whole street	Footway Slurry sealing				1,500
KHS5J	ALBERT STREET	ALBERT STREET	Whole street	Footway Slurry sealing				1,000
KHS5J	BEACALLS LANE ONE-WAY	BEACALLS LANE	Whole street	Footway Slurry sealing				2,000
KHS5J	NEW PARK ROAD	NEW PARK ROAD	Whole street	Footway Slurry sealing				5,100
KHS5J	ARLINGTON WAY	ARLINGTON WAY	Whole street	Footway Slurry sealing				2,300
KHS5J	SHORNCUFFE DRIVE	SHORNCUFFE DRIVE	Whole street	Footway Slurry sealing				1,400
KHS5J	WOODCOTE WAY (30MPH TO MONKMOOR RD R'BOU	WOODCOTE WAY	Whole street	Footway Slurry sealing				3,400
KHS5J	FEATHERBED LANE (A5112 BATTLEFIELD RD 30MPH SECTION	FEATHERBED LANE	Whole street	Footway Slurry sealing				4,500
KHS5J	SUNDORNE ROAD (HEATHGATES RBOU	SUNDORNE ROAD	Whole street	Footway Slurry sealing				11,800
								66,700
South West Shropshire								
Unallocated								
KHS6A	DIVISIONAL ANNUAL RESPONSIVE BUDGET - SECONDARY	N/A		N/A		N/A	N/A	-6,550

COST CENTRE	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Drainage Structures								
KHP6H	A4117 DODINGTON TO FOXWOOD			Drainage Improvement	At Bus Stop			3,000
KHS6H	MIDDLE WOOD ROAD			Drainage Improvement	Various locations, mapped			25,000
KHS6H	B4367 CLUNGUNFORD TO MARLOW 60MPH SECTION			Drainage Improvement				8,000
KHS6H	B4368 GREENWAY CROSS TO PEDLARS REST			Drainage Improvement	Castle Barn Bank			25,000
KHS6H	OAKFIELD COTTAGES TO BROCKTON			Drainage Improvement	B4386- oakfield cottages junction			6,000
KHP6H	A488 COLEBATCH TO OLD HALL CROSS ROADS 60MPH SECTION			Drainage Improvement	THE PINES COLEBATCH TO BISHOPS CASTLE			25,000
KHS6H	B4368 END 30MPH ASTON-ON- CLUN-LONGMEADOWEND 60MPH SECTION			Drainage Improvement				5,000
KHS6H	B4365 PEDLARS REST TO CULMINGTON			Drainage Improvement	Opposite Pottery			3,000
KHS6H	TITTERHILL - HAYTONS BENT				Pillar Box Farm			8,000
								108,000
Kerbs, Footways & Cycle tracks								
KHS6J	LOWER MILL STREET	LOWER MILL STREET		Footway reconstruction	Adjacent to Maryvale	50	Sq M	6,000
KHS6J	UPPER GALDEFORD	UPPER GALDEFORD		Footway reconstruction	Adjacent to traffic lights			2,000
KHS6J	LAVENDER BANK	LAVENDER BANK		Footway reconstruction	All Footways	450	Sq M	13,000
KHS6J	OAKFIELD COTTAGES, BROCKTON	OAKFIELD COTTAGES, BROCKTON		Footway reconstruction	All Footways	400	Sq M	12,000
KHS6J	B5477 LUDLOW RD LITTLE STRETTON	B5477 LUDLOW RD LITTLE STRETTON		Footway reconstruction	All Footways			8,000
KHS6J	FOOTWAY HOUSEMAN CRESCENT TO SHEET RD	FOOTWAY HOUSEMAN CRESCENT TO SHEET RD		Footway reconstruction	Housman Crescent to Sheet Road	230	Sq M	7,000
KHS6J	B4386 CHIRBURY EAST	B4386 CHIRBURY EAST		Footway reconstruction	Outside Village Hall	80	Sq M	2,000
KHS6J	B5477 LUDLOW RD CHURCH STRETTON	B5477 LUDLOW RD CHURCH STRETTON		Footway reconstruction	WHOLE SECTION			6,000
KHS6J	B4371 SANDFORD AVENUE WEST OF A49 20MPH SECTION	B4371 SANDFORD AVENUE WEST OF A49 20MPH SECTION		Footway reconstruction	Beaumont Rd to Fire station	300	Sq M	9,000
KHS6J	A490 CHIRBURY CH TO LOWER LANE	A490 CHIRBURY CH TO LOWER LANE		Footway reconstruction		216	Sq M	8,000
KHS6J	TEMESIDE	TEMESIDE		Footway reconstruction	No. 1 to 18 Temeside Cottages	120	Sq M	4,000
KHS6J	THE SQUARE	THE SQUARE		Footway reconstruction	Churchway - setts			6,000
KHS6J	EASTHOPE ROAD	EASTHOPE ROAD		Footway reconstruction	Mayfair Court	120	Sq M	4,000
KHS6J	ESSEX ROAD	ESSEX ROAD		Footway reconstruction	All Footways	340	Sq M	10,200
KHS6J	A456 LEDWICH TO BURFORD	A456 LEDWICH TO BURFORD		Footway Slurry sealing	Burford to Church	2240	Sq M	4,500
KHS6J	CORRICKS RISE	CORRICKS RISE		Footway Slurry sealing	All Footways	350	Sq M	700
KHS6J	OAK MEADOW	OAK MEADOW		Footway Slurry sealing	All Footways	250	Sq M	1,000
KHS6J	OAK MEADOW	OAK MEADOW		Footway Slurry sealing	All Footways	250	Sq M	1,000
KHS6J	CORICKS RISE	CORICKS RISE		Footway Slurry sealing	All Footways	250	Sq M	1,000
KHS6J	OAK MEADOW	OAK MEADOW		Footway Slurry sealing	All Footways	250	Sq M	1,000
KHS6J	BISHOPS CASTLE	BISHOPS CASTLE		Footway Slurry sealing	All Footways	250	Sq M	1,000
KHS6J	DOG KENNEL LANE (MYND JUNC- CHAPEL LAWN ROAD)	DOG KENNEL LANE (MYND JUNC- CHAPEL LAWN ROAD)		Footway Slurry sealing	WHOLE SECTION	450	Sq M	900
KHS6J	THE CRESCENT	THE CRESCENT		Footway Slurry sealing	All Footways	200	Sq M	400
KHS6J	THE CRESCENT	THE CRESCENT		Footway Slurry sealing	All Footways	200	Sq M	400
KHS6J	THE CRESCENT	THE CRESCENT		Footway Slurry sealing	All Footways	200	Sq M	400
KHS6J	CORPORATION STREET	CORPORATION STREET		Footway Slurry sealing	All Footways	1000	Sq M	2,200
KHS6J	BROOKLANDS PARK	BROOKLANDS PARK		Footway Slurry sealing	WHOLE SECTION	540	Sq M	1,080
KHS6J	SWAN LANE TO FORRESTERS ROAD	SWAN LANE TO FORRESTERS ROAD		Footway Slurry sealing		270	Sq M	600
KHS6J	A4113 BROMFIELD VILLAGE 30MPH SECTION	A4113 BROMFIELD VILLAGE 30MPH SECTION		Footway Slurry sealing	Bromfield Village (both sides)	1200	Sq M	2,500
KHS6J	BROOK ROAD	BROOK ROAD		Footway Slurry sealing	WHOLE SECTION	750	Sq M	1,500
KHS6J	BRAMPTON ROAD BISHOPS CASTLE	BRAMPTON ROAD BISHOPS CASTLE		Footway Slurry sealing	All Footways	1150	Sq M	2,300
KHS6J	ARCHERS WAY	ARCHERS WAY		Footway Slurry sealing	All Footways	200	Sq M	400
KHS6J	OLD NEWTON STREET	OLD NEWTON STREET		Footway Slurry sealing	WHOLE SECTION	500	Sq M	1,000
KHS6J	SWAN CLOSE	SWAN CLOSE		Footway Slurry sealing	All Footways	150	Sq M	300
KHS6J	OLD NEWTON STREET	OLD NEWTON STREET		Footway Slurry sealing	WHOLE SECTION	285	Sq M	570
KHS6J	TEMESIDE CLOSE	TEMESIDE CLOSE		Footway Slurry sealing	All Footways	150	Sq M	300
KHS6J	OAKS ROAD	OAKS ROAD		Footway Slurry sealing	WHOLE SECTION	378	Sq M	756
KHS6J	FORRESTERS ROAD	FORRESTERS ROAD		Footway Slurry sealing	All Footways	830	Sq M	1,700
KHS6J	HAWTHORN CLOSE	HAWTHORN CLOSE		Footway Slurry sealing	WHOLE SECTION	225	Sq M	450
KHS6J	CASTLE CLOSE	CASTLE CLOSE		Footway Slurry sealing	All Footways	675	Sq M	1,350
KHS6J	COPPICE DRIVE	COPPICE DRIVE		Footway Slurry sealing	WHOLE SECTION	240	Sq M	480</

COST £	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Drainage Structures								
KHP6H	A4117 DODINGTON TO FOXWOOD			Drainage Improvement	At Bus Stop			3,000
KHS6H	MIDDLE WOOD ROAD			Drainage Improvement	Various locations, mapped			25,000
KHS6H	B4367 CLUNGUNFORD TO MARLOW 60MPH SECTION			Drainage Improvement				8,000
Programme of structural replacement of lighting columns								
K6SL1	SHREWSBURY - PHASE 1	VARIOUS	VARIOUS	Lighting Replacement Schemes	Replace Steel Lighting Columns	179	Columns	223,750
K6SL1	OSWESTRY PHASE 1	VARIOUS	VARIOUS	Lighting Replacement Schemes	Replace Steel Lighting Columns	70	Columns	87,500
K6SL1	MARKET DRAYTON	VARIOUS	VARIOUS	Lighting Replacement Schemes	Replace Steel Lighting Columns	128	Columns	156,250
K6SL1	LUDLOW PHASE 1	VARIOUS	VARIOUS	Lighting Replacement Schemes	Replace Steel Lighting Columns	136	Columns	170,000
K6SL1	BROSELEY	VARIOUS	VARIOUS	Lighting Replacement Schemes	Replace Steel Lighting Columns	126	Columns	157,500
K6SL1	PROGRAMME OF STRUCTURAL REPLACEMENT OF COLUMN	N/A		N/A		N/A	N/A	-195,000
								600,000
Total Programme of structural replacement of lighting columns								600,000
Integrated Transport								
Pedestrian & Cycle Facilities								
KST09	SPRING GARDENS CYCLE PATH			Highway Improvement Schemes	POST SCHEME			3,500
KTC13	B4373 WENLOCK ROAD & WESTGATE BRIDGNORTH PEDEST	B4373 WENLOCK ROAD		Highway Improvement Schemes	POST SCHEME			6,000
KTC15	B4379 MARSH ROAD JUNC TO KETTMORE LANE JUNC	B4379SHERIFFHALES XRD-KETTMORE LN	USRN 4310212 15/16 carry over scheme	Highway Improvement Schemes	IMPLEMENT			57,500
KTC16	A464-PARK STREET-END 30 MPH	PARK STREET	USRN 4300493 15/16 carry over scheme	Highway Improvement Schemes	POST SCHEME/RETENTION			2,438
KTC23	B4373 CROSS LANE HEAD FOOTWAY, CANTREYN	B4373 CROSS LANE		Highway Improvement Schemes	IMPLEMENT			54,500
KTC29	SALOP STREET BRIDGNORTH PEDESTRIAN CROSSING (S106)			Highway Improvement Schemes	POST SCHEME			4,000
KTC31	B4361 BROMFIELD ROAD, LUDLOW (S106) PEDESTRIAN CR	B4361 BROMFIELD RD LUDLOW		Highway Improvement Schemes	POST SCHEME/RETENTION			5,602
KTC35	SANDPITS ROAD, LUDLOW PEDESTRIAN SAFETY SCHEME	SANDPITS ROAD, LUDLOW		Highway Improvement Schemes	SCHOOL CROSSING PATROL DESIGN			15,000
KTC36	STATION ROAD WHITCHURCH PEDESTRIAN SAFETY SCHEM	STATION ROAD WHITCHURCH		Highway Improvement Schemes	SCHOOL CROSSING PATROL DESIGN			15,000
								163,540
Safety/Speed Reductions								
KTC12	INNAGE LANE TO STANLEY LANE BRIDGNORTH JUNCTION IMP			Highway Improvement Schemes	IMPLEMENT			4,000
KTR06	B5069 MOORS BANK ST MARTINS SPEED REDUCTION			Highway Improvement Schemes	POST SCHEME			600
KTR07	B5065 PREES LOWER HEATH SPEED REDUCTION			Highway Improvement Schemes	POST SCHEME			600
KTR08	B4397 STATION ROAD, BASCHURCH SPEED REDUCTION	STATION ROAD	BASCHURCH	Highway Improvement Schemes	POST SCHEME			600
KTR09	B4396 KNOCKIN VILLAGE SPEED REDUCTION			Highway Improvement Schemes	POST SCHEME			600
KTR10	A49 HADNALL TO PRESTON BROCK SAFETY			Highway Improvement Schemes	POST SCHEME			3,500
KTR13	A49 PREES HIGHER HEATH SPEED REDUCTION	WHITCHURCH ROAD		Highway Improvement Schemes	POST SCHEME			3,500
KTR14	B5063 THE BALMER SPEED REDUCTION	B5063 FROM ROWE LANE JCT TO A495 JCT	B5063/20 from Rowe Lane junc to A495 junc 15	Highway Improvement Schemes	POST SCHEME			3,500
KTR15	A442 NORTON SPEED REDUCTION			Highway Improvement Schemes	POST SCHEME			1,000
KTR16	A456 WORCESTER ROAD BURFORD 40MPH SECTION	WORCESTER ROAD	Mini roundabot	Highway Improvement Schemes	IMPLEMENT			15,000
KTR21	A458 MORVILLE ROAD SAFETY IMPROVEMENTS			Highway Improvement Schemes	IMPLEMENT			5,000
KTR22	HOPE VALLEY SPEED REDUCTION	A488 HOPESGATE JCT-SABC BDY	A488/360 Hopegate junc-SABC bdy	Highway Improvement Schemes	IMPLEMENT			26,500
KTR23	CHORLEY SPEED LIMIT			Highway Improvement Schemes	IMPLEMENT			2,000
KTR25	IRONBRIDGE ROAD, BROSELEY ROAD SAFETY	IRONBRIDGE ROAD	Ironbridge Road	Highway Improvement Schemes	IMPLEMENT			46,500
KTR27	A528 COCKSHUTT SPEED REDUCTION	SHREWSBURY ROAD	A528/90 Shrewsbury Rd 15/16 carry over scher	Highway Improvement Schemes	IMPLEMENT			32,000
KTR29	A454 SPOONLEYGATE CROSSROADS IMPROVEMENT NR SH	A454 RUDGE HTH RD J-SHIPLEY 2 J W/B4176	AD scheme	Highway Improvement Schemes	IMPLEMENT			1,000
KTR30	A41 STANTON ROAD TONG JUNCTION IMPRVEMENTS			Highway Improvement Schemes	IMPLEMENT			78,000
KTR32	FEATHERBED LANE (ARLINGTON WAY – SUNDORNE ROAD)	FEATHERBED LANE	C7108/06 Featherbed Lane 30 section	Highway Improvement Schemes	RETENTION			9,958
KTR33	COLEHAM SCHOOL SAFETY SCHEME, SHREWSBURY	GREYFRIARS ROAD	U4403/10 Greyfriars Road	Highway Improvement Schemes	RETENTION			8,180
KTR34	B4380 LEIGHTON SPEED MANAGEMENT	B4380-HOLYHEAD RD M B-HOLYHEAD RD BICT	B4380/30 Leighton village	Highway Improvement Schemes	IMPLEMENT			17,000
KTR35	PRIORY AND MEOLE BRACE SCHOOLS SAFETY SCHEME, LON	LONGDEN ROAD	C7115/21 Longden Road	Highway Improvement Schemes	RETENTION			10,015
KTR36	ACTON BURNELL CROSSROADS	IZAS WOOD J LEEBOTWOOD-ACTON BURNELL J	C5156/30 Frodesley to Acton Burnell 30 sectio	Highway Improvement Schemes	DESIGN			8,000
KTR37	A488 HANWOOD SPEED MANAGEMENT	A488 HANWOOD VILLAGE	A488/570 A488 Hanwood VII	Highway Improvement Schemes	DESIGN			12,000
KTR38	B4373 BRIDGNORTH ROAD SPEED REDUCTION, BROSELEY	BRIDGNORTH ROAD	AD scheme	Highway Improvement Schemes	IMPLEMENT			41,500
KTR39	MEADOW FARM DRIVE SHREWSBURY SPED MGMT			Highway Improvement Schemes	IMPLEMENT			17,000
KTR40	DARK LANE ROAD SAFETY, BROSELEY	DARK LANE	AD scheme	Highway Improvement Schemes	IMPLEMENT			70,000
KTR43	B5062 SUNDORNE ROAD MEDICAL CENTRE JUNCTION			Highway Improvement Schemes	IMPLEMENT			22,000
KTR48	BUTTON OAK SPEED LIMIT			Highway Improvement Schemes	POST SCHEME			1,000
KTR50	BRIDGNORTH VAS			Highway Improvement Schemes	POST SCHEME			1,000
KTR51	REDSTONE DRIVE HIGHLEY ROAD SAFETY REVIEW			Highway Improvement Schemes	IMPLEMENT			31,500
KTR53	MUCH WENLOCK, BARROW & BROSELEY HGV MGMT			Highway Improvement Schemes	IMPLEMENT			51,500
KTR54	A51 PIPEGATE TO WOORE SPEED REDUCTION			Highway Improvement Schemes	IMPLEMENT			8,500
KTR57	A41 SANDFORD SPEED REDUCTION			Highway Improvement Schemes	IMPLEMENT			17,000
KTR58	B4176 ROYAL OAK SPEED & SAFETY MANAGEMENT			Highway Improvement Schemes	NEW DESIGN			10,000
KTR59	WESTON SPEED REDUCTION			Highway Improvement Schemes	NEW DESIGN			12,000
KTR60	CLUN ROAD CRAVEN ARMS SPEED REDUCTION			Highway Improvement Schemes	NEW DESIGN			20,000
KTR61	NEW PARK ROAD SHREWSBURY SCHOOL SAFETY IMPROVEMENTS			Highway Improvement Schemes	NEW DESIGN			20,000
KTR62	MYDDLE PRIMARY SCHOOL SAFETY SCHEME			Highway Improvement Schemes	NEW DESIGN			16,000
KTR63	A456 BURFORD SPEED REDUCTION			Highway Improvement Schemes	DESIGN			17,000
KTR64	TENBURY ROAD CLEOBURY MORTIMER JUNCTION SAFETY SCHEME			Highway Improvement Schemes	NEW DESIGN			25,000
								670,053

COST C£	LOCATION	STREET	LOCATION (From/To)	WORKTYPE	WORK DESCRIPTION	QUANTITY	UNIT	BUDGET £
Drainage Structures								
KHP6H	A4117 DODINGTON TO FOXWOOD			Drainage Improvement	At Bus Stop			3,000
KHS6H	MIDDLE WOOD ROAD			Drainage Improvement	Various locations, mapped			25,000
KHS6H	B4367 CLUNGUNFORD TO MARLOW 60MPH SECTION			Drainage Improvement				8,000
Programme of structural replacement of lighting columns								
Accident Cluster Sites								
KTA00	ACCIDENT CLUSTER SITES NEW DESIGN UNALLOCATED			Highway Improvement Schemes	NEW DESIGN			70,000
KTA01	A5/B4379 CRACKLEY BANK			Highway Improvement Schemes	DESIGN			10,000
KTA02	HEATHGATES ROUNDABOUT SHREWSBURY			Highway Improvement Schemes	DESIGN			15,000
KTA03	A442 WORFE BRIDGE			Highway Improvement Schemes	IMPLEMENT			5,000
KTA04	DITHERINGTON ROAD/MOUNT PLEASANT SHREWSBURY			Highway Improvement Schemes	IMPLEMENT			11,000
KTA05	A529 MOUNT PLEASANT CROSSROADS SHREWSBURY			Highway Improvement Schemes	IMPLEMENT			11,000
KTA06	A458 COLUMN/HAYCOCKS WAY			Highway Improvement Schemes	IMPLEMENT			22,000
KTA07	A458 SMITHFIELD ROAD / RAVEN MEADOWS			Highway Improvement Schemes	IMPLEMENT			9,000
								153,000
Traffic Management								
KTR26	A4169 SHEINTON STREET MUCK WENLOCK TRAFFIC MGMT			Highway Improvement Schemes	POST SCHEME			1,000
KTR31	COALPORT ROAD, BROSELEY TRAFFIC MGMT	KINGSWOOD ROAD	C4171/30 Coalport Road within 30	Highway Improvement Schemes	POST SCHEME/RETENTION			3,799
KTM03	RACECOURSE LANE CLOSURE (LAMBOURN DRIVE), COPTHAM	RACECOURSE LANE	U3804/10 Racecourse Lane	Highway Improvement Schemes	POST SCHEME			3,500
KTM10	CROSS ROAD ALBRIGHTON			Highway Improvement Schemes	IMPLEMENT			3,000
KTM12	A528 CROSS STREET BRIDGE ADVANCE SIGNING SHREWSBURY			Highway Improvement Schemes	IMPLEMENT			13,000
KST15	ITP SOUTH LUDLOW SIGN SCHEMES			Highway Improvement Schemes	IMPLEMENT			5,000
								29,299
Network Improvements								
KTN02	ANNUAL BUS SHELTER GRANT			Highway Improvement Schemes	Grants			15,000
Signal Enhancements								
KTS08	BULL RING JUNCTION REFURBISHMENT			Highway Improvement Schemes	POST SCHEME			1,500
KTS09	A495 SCOTLAND STREET ELLESMERE			Highway Improvement Schemes	POST SCHEME			1,500
KTS10	A495 WILLOW STREET ELLESMERE PEDESTRIAN CROSSING			Highway Improvement Schemes	IMPLEMENT			37,000
KTS11	A442 HOSPITAL STREET BRIDGNORTH			Highway Improvement Schemes	IMPLEMENT			37,000
KTS12	A495 MERESIDE ELLESMERE PEDESTRIAN CROSSING			Highway Improvement Schemes	POST SCHEME			1,500
KTS14	SIGNALS DESIGN FOR FOLLOWING YEAR PROGRAMME			Highway Improvement Schemes	Signal Enhancements			9,500
KTS15	SHELTON ROAD/WELSHPOOL ROAD SHREWSBURY			Highway Improvement Schemes	Signal Enhancements Design			22,000
KTS16	BELLE VUE ROAD/TRINITY STREET SHREWSBURY			Highway Improvement Schemes	Signal Enhancements Design			8,500
KTS17	ALEXANDRA ROAD, MARKET DRAYTON			Highway Improvement Schemes	Signal Enhancements Implement			37,000
KTS18	BROWNLOW STREET /ST JOHNS STREET WHITCHURCH			Highway Improvement Schemes	Signal Enhancements Implement			74,000
								229,500
Parking Infrastructure								
KTP01	THE INNGE SHIFNAL PARKING ARRANGEMENTS			Highway Improvement Schemes	IMPLEMENT			2,000
Contribution towards other schemes								
LEP SITP Project Contribution								
KIT01	LTP ANNUAL CONTRIBUTION TO LEP SITP PROJECT			Highway Improvement Schemes		N/A	N/A	500,000
								1,762,392
Total Highways & Transport Capital Programme:								18,864,000

Policy for Flexibility around the use of Capital Receipts

1. The greater flexibilities around the use of capital receipts offered in the financial years 2016 to 2019 allow the Council to utilise capital receipts generated in this period to fund the revenue costs of service reform. Any qualifying expenditure under this flexibility must be on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or demand for services in future years.
2. Over the 2 year period 2017/18 to 2018/19, Shropshire proposes to use the flexibility to help fund the following:
 - £8m to fund redundancy costs. This is in line with an average annual cost of redundancy of approximately £4m over the last 5 years and will allow the council to manage service redesign and restructure changes.
 - IT Digital Transformation is estimated to cost £32.050m over a three-year period of 2016/17 – 2018/19. Given that spend in 2016/17 has been lower than originally anticipated, there remains a cost of £26.803m to be funded in the next two years. This project involves a complete review of the Council's IT infrastructure and new systems proposed for back office functions and Adult Social Care that will deliver significant efficiency savings estimated to reach £8.9m per annum and an overall return on investment by year 4.

The split over the two financial years is shown in the table below:

	2017/18 £m	2018/19 £m	Total £m
Redundancy costs	4.000	4.000	8.000
IT Digital Transformation	18.289	8.514	26.803
Total per annum	22.289	12.514	34.803



Committee and Date

Cabinet 8 February 2017

Item

Public

STATEMENT OF CHIEF FINANCIAL OFFICER ON THE ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES 2016-20

Responsible Officer James Walton

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Telephone: (01743) 255011

1. Summary

- 1.1. Under Section 25 of the Local Government Act 2003, the Authority's Chief Financial Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves.

2. Recommendations

Members are asked to:

- A Approve the recommended level of general balances to support the 2017/18 revenue budget at £13.29m, noting that the projected balance will be above this for 2017/18;
- B Note the projected recommended level of general reserves for the following two years at £16.80m in 2018/19 and £33.68m in 2019/20.
- C. Note that the Council General Fund Balance and/or Financial Strategy Reserve may be amended as required to facilitate any amendments required to the Financial Strategy following receipt of the Final Local Government Financial Settlement.

3. Background

- 3.1. Each year council considers a Statement of the Robustness of Estimates. Budget estimates are estimates of spending and income made at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but in an objective and systematic manner gives members reasonable assurances that the budget has been based on the best available information and assumptions.
- 3.2. In order to meet the requirements for the robustness of estimates a number of key processes were put into place, including:

- Review of expenditure and resources for the entire council for next three years to identify the underlying viability of the council's resource envelope when compared to cost.
 - Review of existing budgets and focus on key risk areas as part of the budget setting and budget monitoring process. For example, our key risk area in terms of budget size and volatility is Adult Services. Over the last twelve months, key personnel have been gaining a better understanding of cost drivers within the new operating model for this service area. As a result we have a better understanding of the pressures in this area and have used this in the modelling of future costs.
 - Identification of the in-year and the full year impact of any variations compared to budget. This ensures that the underlying budget and any pressure can always be separately identified and arrangements to manage pressures (for example by the use of one-off resources) is undertaken in an open and transparent mechanism, approved by Cabinet.
 - The Financial Strategy and Budget Monitoring Reports are updated and reported to Cabinet on a quarterly basis. In this period of unprecedented uncertainty in terms of Local Government funding and spending pressures, the latest position is always reported transparently even though this position can change significantly from one reporting period to the next.
 - Separation of roles within the Finance Team in setting budget control totals, identifying budget requirement and inputting into the Finance System which is subject to review by Internal Audit as part of the Council's Internal Audit Plan.
 - Review by Finance Staff with Service Managers to understand the achievability, deliverability and timescales for all proposed service redesign.
 - Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on Senior Managers having proper arrangements in place to identify issues, project demand data, performance information and to consider value for money and efficiency.
- 3.3. On an annual basis the Council also considers the level of reserves held, including the General Fund Balance, to assess whether they are adequate. There are two main approaches for deciding the optimum level of the general balances. One method is to set an arbitrary percentage of expenditure, however this generally has little reflection of the potential contingencies that the Council may need to draw on. An alternative, preferable, method is an approach based on a risk assessment of the budget.
- 3.4. This paper sets out the framework for a risk assessment approach. The issues the framework considers include strategic, operational and financial risks that the authority is facing. This includes, for example, changes in external funding or the council's ability to deliver savings; the effectiveness of budget monitoring to identify variances from spending plans and trigger timely remedial action; the availability of other funds to cover costs – for example, from an insurance policy, or from the government under the Bellwin Scheme for emergency financial assistance; and the extent to which

contingency is built into individual departmental budgets and the council's overall budget.

4. Risk Assessment

- 4.1. On an annual basis the Council will undertake a formal review of risks associated with the budget and Financial Strategy and identify balances at appropriate level compared to the risks. The development and introduction of this risk assessment is not intended to replace the Council's existing Risk Registers, rather that they should inform any revision of these Risk Registers.
- 4.2. The Risk Assessment is intended to form part of the onward budgetary control framework and used at budgetary control meetings with service area personnel and reviewed annually by the authority.
- 4.3. Throughout the budget process Members are able to challenge and assess the robustness of budgets and the achievability of savings, income and budget reductions. The key financial risks that remain are:
 - Changes to staffing arrangements through redundancy, restructure or remodelling of services or the overall Council Structure;
 - The delivery of service redesign proposals, savings and income targets and efficiency measures within the required timeframe;
 - Improvements in budgeting and/or associated IT systems, the implementation of which may throw up funding challenges;
 - The impact of changes on a national or regional basis that do not fall within the existing budget process; and
 - Lack of clarity from Central Government on the future funding levels and changes to Local Government powers and financing, plus increased uncertainty re: local resources, which inhibits the ability to calculate future budgets.
 - Inability to set a sustainable budget with the resources available, resulting in services not being delivered or a legal budget not being set from 2017/18 and beyond.
- 4.4. These assumptions and potential changing circumstances will require the forecasts for future years to be reviewed in each financial year leading to more detailed budgets being prepared for the next financial year and for the Medium Term Financial Strategy. Impacts within year are reported to Members within the existing monitoring reports for both revenue and capital.

5. Robustness of Revenue Estimates

- 5.1. The 2017/18 budget process continues progress in improving the Council's budget preparation, most notably in the process of medium term forecasting due to information and trend data drawn from the monitoring of the budget and associated systems, reported as a minimum to Cabinet on a quarterly basis.
- 5.2. As part of developing the 2017/18 budget, Council Members have had the opportunity to consider available options, implications and impact on outcomes, and these are reflected in the proposed budget.
- 5.3. The development of the 3 year financial strategy has reported on the Council's need for services to be fully funded from sustainable resources over the next five years and the move towards this is demonstrated in the resources and expenditure projections given in Table 1 below. This is reflected in the Council's Business Plan and Financial Strategy, which has identified a funding gap of £36.6 million over the three years to 2019/20.

Table 1: Gross Resources and Expenditure Projections

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Projected Resources	563,350	560,656	554,754
Current Projected Expenditure	579,537	584,478	591,350
Funding Gap	16,187	23,822	36,597
Year on Year Funding Gap		7,635	12,775

- 5.4. Savings proposals have been identified for 2017/18 and 2018/19 and even though almost 25% are currently RAG rated red, it is considered that these are achievable and so progress against these proposals will be monitored carefully to consider the impact on the budget strategy.
- 5.5. It should be noted that the Council is still awaiting details of the Final Local Government Settlement and therefore any changes announced to the Provisional Settlement Funding announced may result in further changes to the above projected resources and funding gap. Should this occur, the Section 151 Officer in consultation with the Leader of the Council has requested devolved responsibility to make amendments following the receipt of the Final Settlement and will use either the Council's General Fund Balance and/or Financial Strategy Reserve to fund such late amendments.
- 5.6. To improve the medium term financial planning for the authority it is proposed to undertake mid-term reviews of the medium Term Financial Strategy every three years (with a refresh in intervening years. Annex 1 shows the factors taken into account in developing the draft budget.

6. Capital Budget

- 6.1. The agreed programme is fully funded within the 3 year timescale however this is heavily dependent on the Council generating significant levels of capital receipts. Projects have been costed at current year prices but may be subject to tender process after inclusion in the programme which may lead to a variance in the final cost. In some areas, the design brief may not be finalised, again giving rise to potential price variance.
- 6.2. The risk of the Council being unable to fund variations outside of the programme is minimal mainly due to phasing of projects. If necessary the Council can choose to freeze parts of the programme throughout the year to ensure spend is kept within the agreed budget.
- 6.3. There are two main risks.
- Firstly, the ability to deliver the capital programme within the agreed timescales. Slippage from 2016/17 is fully funded over the Financial Strategy period but this in itself will increase pressure on the Council to deliver the anticipated 2017/18 programme.
 - Secondly, the draft 3 year 2016-19 programme has an amount set aside for new starts based on the availability of capital receipts. In the continuing, difficult financial climate, these receipts may be lower than expected, which will have to be managed.
- 6.4. The capital programme will be actively managed and reprofiled during the course of the financial year to reflect scheme delivery timescales and revisions to funding agreements for projects. However at the end of the year, slippage within the programme normally occurs which had not previously been anticipated. This will be due to delays in delivery of schemes and the net of underspends and overspends against specific projects. As shown in Table 2 below, in 2015/16 there was slippage of £7.4m which represents 14% of the revised capital programme. Action has already been taken during the course of 2016/17 to reprofile budgets to future years to reflect latest data on project delivery.

Table 2: Three Year Capital position (£000's)

	2015/16	2016/17	2017/18
Capital Programme	+51,543	+55,868	+66,058
Reprofile Budgets	+337	-1,917	-
Revised Capital Programme	+51,880	+53,951	+66,058
Slippage	-7,437	-	-
Actual Capital Programme	+44,443	+53,951	+66,058

- 6.5 The capital programme includes a target for capital receipts to be delivered to ensure the programme is fully funded and removing the necessity for prudential borrowing to be undertaken to meet a funding gap. This target generally decreases during the course of the year to reflect the reprofiled budget, however the full capital receipt target will still be required to fully fund the capital programme. In 2015/16 capital receipts of £4.2m was generated and in addition to those brought forward from previous years, the level of receipts were over the value required to fund the re-profiled capital programme.
- 6.6 Over the last 2 years (2015/16 and 2016/17) the level of capital receipts have been sufficient for a balance of capital receipts to be carried forward to offset any requirement for funding in the next financial year. This has been managed by natural slippage in the programme which has enabled other sources of funding to be used initially. In 2017/18 the level of capital receipts required is £25.0m and a shortfall of £2.6m currently exists within receipt projections. Whilst every effort will be made to bring this level of resources in to the Council, should there be a delay in the delivery schedule of capital receipts it is anticipated that this will again be controlled through natural and potentially managed slippage in the capital programme.

7. The Framework for the General Balance

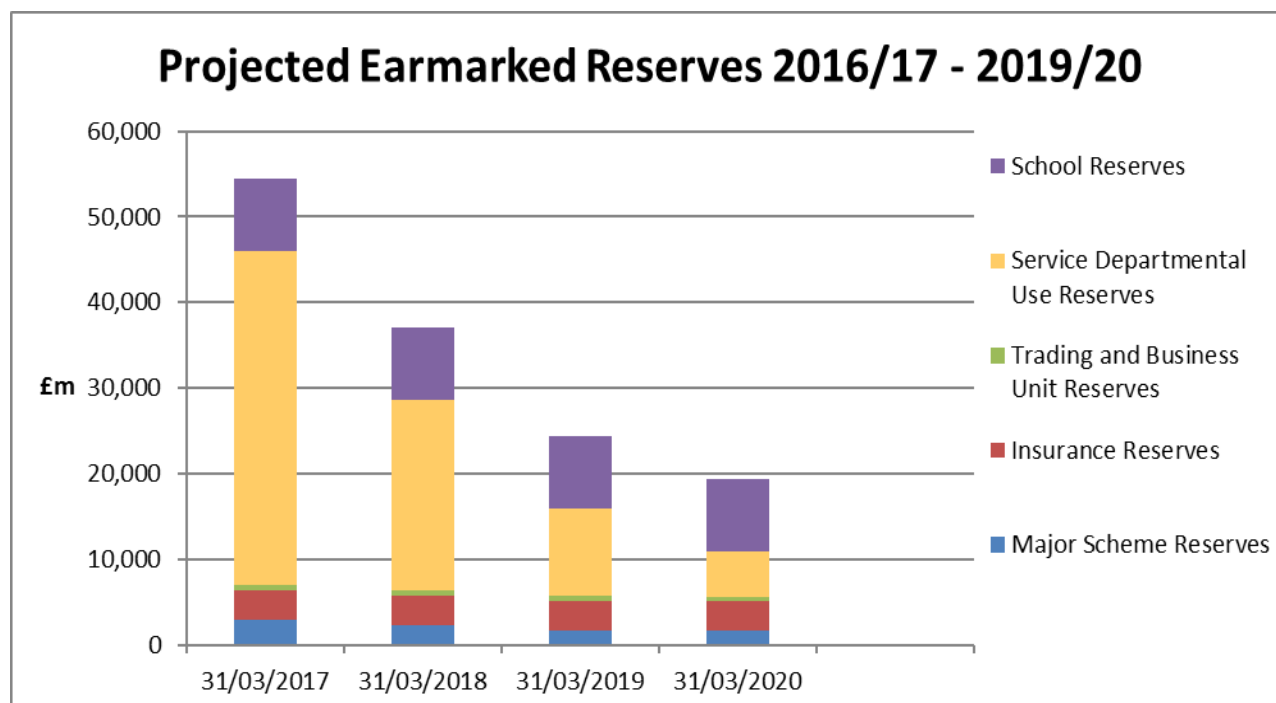
- 7.1 A Framework has been developed to identify areas of risk with an appropriate budget amount, an assessed level of risk (high, medium and low) and a percentage factor which will vary according to the level of risk. This process produces a value from which a risk assessed optimum level of general balance can be created.
- 7.2 There are six main areas that the General Fund Balance is required to cover and the individual risks within these areas have been considered. These risks are detailed, with explanatory text, in Appendix 1, while Appendix 2 provides a summary of the calculation for the general balance.
- 7.3 The risk based assessment of the General Fund Balance was examined in detail by a Task and Finish Group of the Performance Management Scrutiny Committee in 2016, to confirm that the method for calculating the indicative risk based General Fund Balance was a sound basis. It was agreed that this method does cover and appropriately measures the potential financial risks that the Council needs to provide for and so should continue to be used in future years.

8. Review of Earmarked Reserves and Provisions

- 8.1 A review of the earmarked balances held by the Council has also been performed to establish the purpose of the reserves and the likely timescale that these reserves will be utilised.
- 8.2 Earmarked reserves are created to meet known or predicted requirements in the future. There are 5 main categories of earmarked reserves that the Council holds:

- Sums set aside for major schemes, such as capital developments, or to fund major reorganisations
- Insurance Reserves
- Reserves of trading and business units
- Reserves retained for service departmental use
- School Balances

- 8.3 The Council held balances of £60.841m in earmarked reserves at 31 March 2016 which includes schools budget balances of £9.206m. During the course of 2016/17 it is anticipated that a net £43.698m will be released from earmarked reserves to fund known commitments, however this will be offset by a contribution of £37.247m to fund the known funding gap in 2017/18 and future years as agreed in the Financial Strategy paper to Cabinet in December 2016. A full breakdown of the earmarked reserves is attached at Appendix 3 with details of the purpose of each reserve.
- 8.4 A projection has been made on the level of earmarked reserves that will be held over the next 3 years of the financial strategy based on likely timescales of when these balances will be used to fund known commitments, investment in service redesign and help to smooth the impact of savings proposals. Overall a reduction of 61% is anticipated in the earmarked reserves held with the most significant reduction coming within the Financial Strategy Reserve in the next two years, and this is shown in the graph below.



9. General Fund Balance

- 9.1 It is essential in setting a balanced budget that the Council has money available in the event of unexpected spending pressures. The “balances” need to reflect spending experience and risks to which the Council is exposed.
- 9.2 The revenue monitoring reports have provided members with an updated projection on the General Fund and the projected General Fund Balance is provided below:

	Projection as per Quarter 3 (£'000)
General Fund Balances as at 31 March 2016	18,370
Projected outturn as at Quarter 3	244
Projected General Fund Balance as at 31 March 2017	18,614

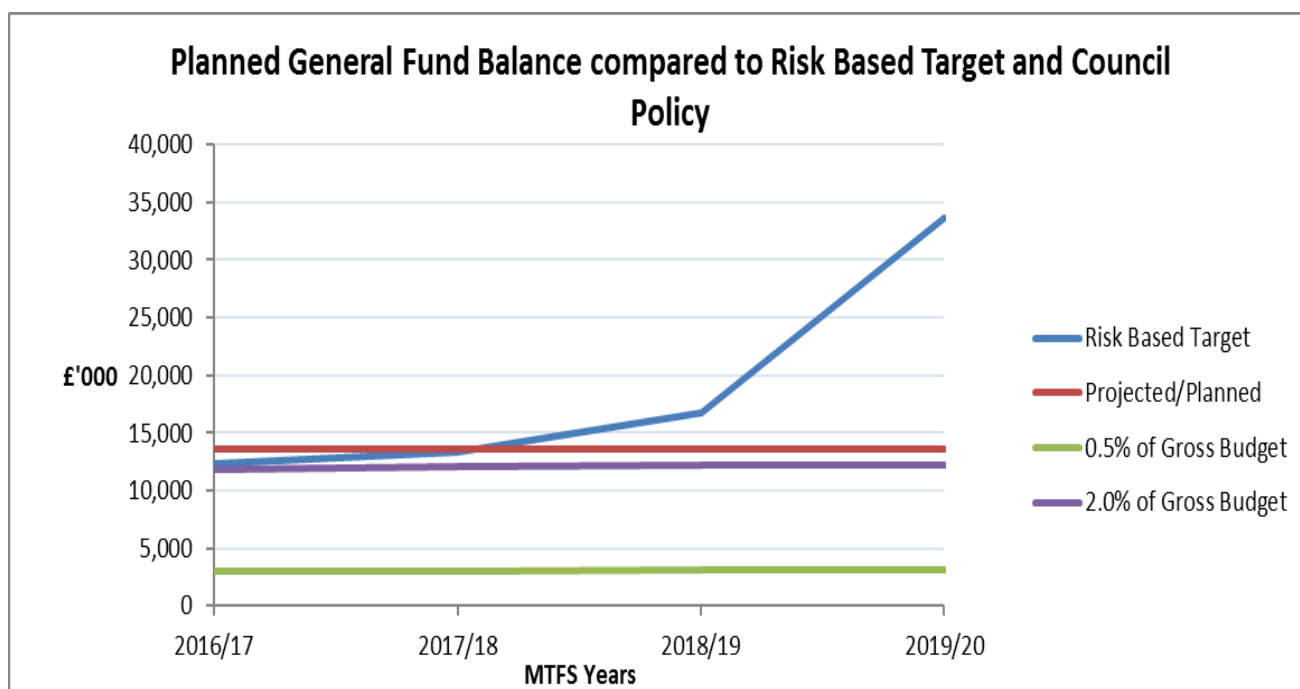
- 9.3 The Financial Strategy recognised that balances need to be increased to the risk assessed level and additional base budget contributions were made over the previous 4 years to increase the balance to its current level. The budget no longer includes any base budget contribution and so the projected level as per the Financial Strategy will now remain at £18.614m. The risk based calculation for the General Fund Balance is significantly higher than this value over the course of the 3 year Financial Strategy as shown below:

Table 3: Comparison of Risk Based Calculation to Projected General Fund

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Risk assessed level of General Fund Balance	12,325	13,289	16,801	33,683
Projected level of General Fund Balance as per Financial Strategy	18,614	18,614	18,614	18,614

- 9.4 As shown in Table 3, the risk assessed General Fund Balance is lower than the projected level in the current financial year, and the next two years. This reflects the fact that the Council has undertaken a strategy of only pursuing robust and deliverable savings proposals for the next two financial years, and financing the remaining funding gap through the use of one off resources. It is therefore considered appropriate in the short term that £5.000m is released from the General Fund Balance to bring the balance more in line with the risk assessed level. The balance released from the General Fund Balance will then be contributed to the Financial Strategy Earmarked Reserve so that it can be utilised in 2019/20 to help fund the known funding gap in that financial year.
- 9.5 Whilst this revised balance brings the General Fund Balance more in line with the risk assessed balance in the current and next financial year, it should be noted that this will be short of the risk assessed level in 2018/19 and significantly below the required

level in 2019/20. This increased risk assessed level in 2019/20 reflects that the funding gap remains at £36.597m and a number of funding sources have not yet been confirmed as part of the multi-year settlement that the Council has signed up to. Whilst it is anticipated that the Council will pursue savings and efficiencies to help reduce this gap, there is a risk that a significant funding gap will still remain that may fall on the General Fund Balance. It should be noted that 2019/20 is the year that the fair funding formula will be implemented and the Council will retain 100% share of business rate income. It is not known at this point whether this will be favourable or present the Council with a further funding pressure. In light of this combined additional risk in 2019/20, the Council should consider planning for future contributions to the General Fund Balance in order to bring the balance in line with the risk based assessment by 2019/20.



- 9.5 It can be seen from the graph above that the projected and risk assessed balance is anticipated to be greater than the balance required as per the Council's current policy of holding between 0.5% and 2% of the Gross Revenue Budget. This policy was adopted by the Council in order to provide a sufficient balance that would cover any potential liabilities, however as the financial position of local authorities has been affected by the uncertainty around Government funding reductions, this has led to the need to hold significantly higher balances than this policy provides for. It therefore seems appropriate that the Council's policy for holding the General Fund Balance is reviewed and amended accordingly to reflect the more uncertain financial environment that the Council is faced with.

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) Malcolm Pate - Leader
Local Member All
Appendices Appendix 1: Analysis of Budget Assumptions and Financial Risks, including the Council's Financial Management Arrangements and Appropriate Mitigation Appendix 2: Risk Based Calculation of General Fund Balances Appendix 3: Earmarked Reserves

Appendix 8**Appendix 1****Analysis of Budget Assumptions and Financial Risks, including the Council's Financial Management Arrangements and Appropriate Mitigation**

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
1. The treatment of inflation	<p>There are two key issues in relation to inflation.</p> <ul style="list-style-type: none"> There may be some items of expenditure – fuel or energy costs for example - where any estimate of inflation is a 'best guess'. The risk assessment puts a figure to the higher level of inflation that would seem to be unreasonable to include in a budget, but might come to pass. Information is less accurate for years 2 and 3; the risk assessment covers the higher range. <p>It is difficult to predict the direction that the wider economy will take and thus the level of inflation required.</p>	<p>Pay – 1% has been provided in the 2017/18 budget to reflect the pay award for staff with 1% thereafter. Funding has also been provided for increments due to be awarded for 2017/18 based on existing staffing levels.</p> <p>Pension contribution rates will increase in 2017/18 for the remainder of the MTFP in addition to an increase in the lump sum element of the contribution. This inflationary increase has been built into the 2017/18 budget.</p> <p>Price inflation has been provided on contractually or quasi-contractually committed budgets at the rate stated in the relevant agreement.</p>
2. Interest rates on borrowing and investment	<p>This issue here are similar to those in 1 above, but for a specific area.</p> <p>The Council's policy of generating capital receipts to prevent new borrowing, and allowing existing borrowing to mature has resulted in a reduction in available cash balances to invest. The level of interest rates on investments has also dropped to record lows resulting in reduced returns on cash balances. In the past it was possible for the Council to lend money and get a better interest rate than it was paying for borrowed money.</p> <p>The Council's borrowing has been undertaken at fixed rates of interest and so the level of interest payable is not considered as a risk to variable rates. However if borrowing should be required, there is a potential risk that any new borrowing may not be secured at similar interest rates to those currently budgeted for.</p>	<ul style="list-style-type: none"> Interest receivable budgets have been set based on 2016/17 profile of the interest gained on cash balances held. These range from investments for 12 months gaining 1% to short term call accounts which gain only 0.25%. The average interest rate of the total debt portfolio (excl. HRA) is calculated at 5.32% for 2017/18 and this is used for all borrowing costs.
3. Estimates of the level and timing of capital receipts.	<p>The Council has developed an asset management strategy and has a policy of reducing borrowing costs around the capital programme where possible. Therefore the capital programme is dependent on the delivery of capital receipts. The planned receipts estimated to the Council are made</p>	<p>Capital receipts are monitored monthly in the capital monitoring report and are RAG rated in terms of their anticipated delivery against target.</p>

Appendix 8

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
	more difficult due to reducing market values and problems for potential procurers in obtaining finance.	
4. The treatment of demand led pressures	<p>There are long standing areas of risk due to volatility, where we budget for demographic changes in future years, but might find the actual is at the higher end resulting in a shortfall, particularly in the short term.</p> <p>Two areas specifically affected by demography are adult social care and children's social care, where we have seen significant budget pressures due to increasing numbers of clients receiving care packages.</p>	<p>Managers review their base budgets including demand led pressures. Services are expected to put forward management and policy actions to manage the additional demand within the relevant legislation either within the relevant budget or reprioritising within their Service budgets. If this is not possible and under-spending management action or policy actions in other Services are not sufficient to cover the additional demand, then reserves may have to be used to address the additional expenditure temporarily.</p> <p>Such an eventuality has been considered in future years' budgets and it is assumed that general fund reserves are restored to an appropriate prudent level over the course of the MTFP.</p> <p>The 2017/18 budget has been based upon specific demand levels identified during budget monitoring in 2016/17 and projections made by Heads of Service of demand levels in future years.</p>
5. The treatment of efficiency savings	<p>The budget includes improvement programmes that will deliver savings; the risk is that they may be delivered at a slower rate.</p> <p>This includes total savings targets of £18m over the next two years projected in the MTFS which will have risks involved in terms of delivery, and also the delays in delivery. It should also be noted that in the final year of the MTFS, the Council has a funding gap of £36.6m which will require compensatory savings to be identified.</p>	<p>All Managers have a responsibility to ensure the efficient delivery of services and when efficiency savings are proposed that those savings are both realistic in terms of the level of savings and timing.</p> <p>Should the level and timing of such savings vary due to unforeseen events and under-spending, management action or policy actions within the relevant Service Area and corporately will be implemented where appropriate. Alternatively the General Fund Balance will be utilised as a temporary funding mechanism until the full savings are achieved.</p>

Appendix 8

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action
6. The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments	The Council may decide to establish separate delivery vehicles in order to improve service delivery in the future. Full business cases are required for any services being considered for transfer to an alternative service vehicle.	<p>The sharing of risk is in accordance with the principle of the risks being borne by the party best placed to manage that risk. Inherent risks include any guarantee or variation of service throughput (service volumes). If risks materialise the expectation is that such an eventuality will be considered in future years' budgets.</p> <p>Business cases for any new delivery vehicles will fully investigate any financial risks that the Council may face in the future and the MTFS updated accordingly.</p>
7. The availability of other funds to deal with major contingencies	<p>Were a disaster to occur, we have to have a reserve in place to pick up costs that will fall to the Council.</p> <p>The impact of flooding within the Council area based on present experience is that it is limited to localised pockets.</p> <p>The geographical area covered by the Council has resulted in budget pressures in some years due to extreme weather conditions and additional costs such as snow clearance. Changes to the base budget provision has been made in previous years to help mitigate this, but overspends in previous years have, at times, been in excess of this growth level. In more recent years it has not been necessary to utilise all available funding, but a risk remains.</p> <p>Other disasters such as those relating to ICT could occur on a one off basis.</p>	<p>The level of reserves assumes that management and policy actions will be taken to address major contingencies. Should these be insufficient, the general fund balance may have to be used.</p> <p>An earmarked reserve has been established for Severe Weather however any pressure not covered by this reserve would need to be funded from the general fund balance. A risk based approach in calculating the general fund balance takes into consideration the types of incidents and costs associated and this is reviewed annually.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self-insure" some areas. Premiums and self-funds are reactive to external perceptions of the risks faced by the Council which includes both risks that are generic to all organisations and those specific to the authority. Therefore the values of Insurance Reserves are reviewed each year to ensure that the optimum balance is held based on the level of outstanding liabilities.</p> <p>Any major incident or emergency may result in significant costs to the Council. Depending on the incident concerned, the Council may be able to recover such costs through the Bellwin Scheme however the Council would need to cover any expenditure up to the agreed threshold level. This level is fully included within the Council's general fund balance.</p>

Appendix 8

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action																					
8. Impact on council funding of announcements of national changes	Council funding is always subject to change, especially in the current economic climate. However the Business and Financial Strategy takes account of projected changes in the Revenue Support Grant and specific government grants.	The major risk factor included is in relation to the Housing Benefits grants which the Council receives. Changes are planned for welfare benefits which may increase the Council's exposure to costs over and above the grant that is received. This has been factored into the General Fund risk based calculation.																					
9. The overall financial standing of the authority (level of, debt outstanding, council tax collection rates etc.)	<p>Changes may mean doing things in a way for which we have no ready evidence and any assumptions made may be wrong. Additionally, the areas of change will alter over time.</p> <p>An allowance for budget pressures has been built in to accommodate any corrective action that needs to be taken if the assumptions about changes in service delivery should change.</p> <p>In the current economic downturn the risk of collecting all income due to the Council is enhanced, which includes all sundry debt, and charges relating to Council Tax and Business Rates. Any such pressure identified should be evaluated and provided for.</p> <p>Income from fees and charges is also vulnerable to change based on the current economic climate. This is likely to continue and is adjusted for within the Financial Strategy, but is subject to short term negative variations from year to year.</p>	<p>The level of aged debt within the sundry debtors figure is monitored reported to management regularly so that the appropriate action may be taken. Bad debt provisions are maintained to protect the budget against any such pressures, but should these not be sufficient, the general fund would be used.</p> <p>The assumed Council Tax collection rate for 2017/18 onwards is 98.2% and is judged to be achievable based on previous experience. Legislation states that any Collection Fund surplus/deficit be corrected through the Council Tax in the next year. The surplus is distributed in 2017/18.</p> <p>An income review is produced for Cabinet covering income from fees and charges. This review considers the level of income as monitored in the quarterly revenue monitors to Cabinet, and considers the impact of increases in charges, or the freezing of charges on the 2017/18 budget.</p>																					
10. The authority's track record in budget and financial management.	<p>Any overspend realised in a financial year would result in the use of the general fund balance. The Council has identified that general fund balances need to be in place in order to protect the Council against specific financial risks, and so any general overspend due to weaknesses in budget management, undermine any planned action being taken on the General Fund Balance.</p> <p>Financial management needs to be considered across all service areas of the Council. If a particular service area is unable to manage a particular overspend pressure, this may present a need to use general fund balance in the current financial year. Also this may have implications on future level of balances if no action is taken</p>	<p>The Council's recent track record in budget and financial management 2012 to 2017 shows potential variations from a £0.3m overspend to a £2.8m underspend (a range of £3m).</p> <table border="1"> <thead> <tr> <th>Financial Year</th><th>(£'000)</th><th>Underspend/ Overspend</th></tr> </thead> <tbody> <tr> <td>2012/13</td><td>284</td><td>Over</td></tr> <tr> <td>2013/14</td><td>(390)</td><td>Under</td></tr> <tr> <td>2014/15</td><td>(300)</td><td>Under</td></tr> <tr> <td>2015/16</td><td>(2,816)</td><td>Under</td></tr> <tr> <td>2016/17*</td><td>(244)</td><td>Under</td></tr> <tr> <td>Total 2012</td><td></td><td>Under</td></tr> </tbody> </table>	Financial Year	(£'000)	Underspend/ Overspend	2012/13	284	Over	2013/14	(390)	Under	2014/15	(300)	Under	2015/16	(2,816)	Under	2016/17*	(244)	Under	Total 2012		Under
Financial Year	(£'000)	Underspend/ Overspend																					
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2016/17*	(244)	Under																					
Total 2012		Under																					

Appendix 8

Budget Assumption	Explanation of Risk	Financial Standing and Management and Mitigating Action		
	to reduce the spending pressure for the service area in future years or offset by compensating savings.	to 2017		<p>* As projected at Quarter 3 monitoring</p> <p>This has been achieved by considerable management and policy actions to ensure spending is in line with the budget each year.</p> <p>Ultimately, financial performance relies on all budget holders actively managing their budgets and complying with financial regulations, including not committing expenditure if there is no budget provision available.</p> <p>The most recent three years outturn (estimated outturn for 2016/17) position suggests that variances are underspends.</p> <p>The authority needs to continually improve its ability to manage in-year budget pressures. The following steps are already in place:</p> <ul style="list-style-type: none"> • Accuracy of projections has improved over the year, but further work is required, particularly in light of redesign work being undertaken. • The monitoring system continues to be improved in terms of accuracy, the frequency of reporting and the challenge process. <p>Collaborative Planning budget monitoring tool is now used within the Council to improve the financial information provided and the consistency of financial reports produced.</p> <p>The Council's virement and carry forward rules are clear and detailed in the Constitution.</p>

Risk Based Calculation of General Fund Balances

Calculation of Risk Assessed General Fund Balance

2016/17					2017/18			2018/19			2019/20		
Budget/ Value £000	Risk Level	Risk Assessed General Fund £000	Budget Assumption	Area of Risk	Budget/ Value £000	Risk Level	Risk Assessed General Fund £000	Budget/ Value £000	Risk Level	Risk Assessed General Fund £000	Budget/ Value £000	Risk Level	Risk Assessed General Fund £000
Treatment of inflation and interest rates													
93,328	0.25%	233	Inflation	Salaries	92,348	0.25%	231	92,356	0.25%	231	92,380	0.25%	231
20,238	2.00%	405		Premises	20,026	2.00%	401	20,027	2.00%	401	20,032	2.00%	401
29,735	1.00%	297		Transport	29,423	1.00%	294	29,425	1.00%	294	29,433	1.00%	294
56,298	0.25%	141		Supplies & Services	55,707	0.25%	139	55,711	0.25%	139	55,726	0.25%	139
165,916	0.25%	415		Third Party Payments	164,174	0.25%	410	164,188	0.25%	410	164,230	0.25%	411
71,304	0.25%	178		Transfer Payments	70,555	0.25%	176	70,561	0.25%	176	70,579	0.25%	176
1,669			Total Inflation		1,652			1,652			1,652		
268,368	0.00%	0	Interest rates	Existing Borrowing	262,368	0.00%	0	256,368	0.00%	0	252,368	0.00%	0
0	0.00%	0		New Borrowing	47,000	0.00%	0	47,000	3.10%	1,457	60,000	3.10%	1,860
6,400	1.00%	64		PWLB	6,000	1.00%	60	4,000	1.00%	40	4,000	1.00%	40
134,806	0.50%	674		Investment	134,806	0.50%	674	134,806	0.50%	674	134,806	0.50%	674
738			Total Interest Rates		734			2,171			2,574		
Level and timing of capital receipts													
-16,989	0.00%	0	Capital Receipts	Land Sales	-11,868	0.00%	0	3,406	5.00%	170	845	5.00%	42
4,642	0.00%	0		Required for new Powers to use for Revenue	13,342	0.00%	0	13,342	3.10%	414	13,342	3.10%	414
0			Total Capital Receipts		0			584			456		
Treatment of demand led pressures													
113,541	0.00%	0	Demand Led Pressures	Adult Social Care	113,987	1.00%	1,140	120,690	1.00%	1,207	127,931	1.00%	1,279
16,426	5.00%	821		Childrens Social Care	16,704	2.00%	334	17,000	2.00%	340	17,316	2.00%	346
517	100.00%	517		IT Licensing	517	100.00%	517	517	100.00%	517	517	100.00%	517
1,338			Total Demand Led Pressures		1,991			2,064			2,143		
Treatment of planned efficiency savings/productivity gains													
31,526	0.83%	262	Efficiency Savings	16/17 non achievement of savings	31,526	0.00%	0	31,526	0.00%	0	31,526	0.00%	0
31,526	3.25%	1,025		16/17 slippage of savings	31,526	0.00%	0	31,526	0.00%	0	31,526	0.00%	0
0	0.00%	0		17/18 non achievement of savings	15,026	1.00%	150	15,026	0.00%	0	15,026	0.00%	0
0	0.00%	0		17/18 slippage of savings	15,026	3.00%	451	15,026	0.00%	0	15,026	0.00%	0
0	0.00%	0		18/19 non achievement of savings	0	0.00%	0	3,623	1.00%	36	3,623	0.00%	0
0	0.00%	0		18/19 slippage of savings	0	0.00%	0	3,623	3.00%	109	3,623	0.00%	0
0	0.00%	0		19/20 funding gap requiring savings	0	0.00%	0	0	0.00%	0	7,092	50.00%	3,546
1,286			Total Efficiency Savings		601			145			3,546		
Availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions													
3,929	24.00%	943	Insurance and Emergency Planning	Provision	3,929	24.00%	943	3,929	24.00%	943	3,929	24.00%	943
3,411	24.00%	819		Reserve	3,411	24.00%	819	3,411	24.00%	819	3,411	24.00%	819
500 Quantum		500		ICT Disaster	500 Quantum		500	500 Quantum		500	500 Quantum		500
500 Quantum		500		Other Incident	500 Quantum		500	500 Quantum		500	500 Quantum		500
458 Quantum		458		Bellwin	458 Quantum		458	458 Quantum		458	458 Quantum		458
2,058	20.00%	412		Severe Weather	2,058	20.00%	412	2,058	20.00%	412	2,058	20.00%	412
3,631			Total Insurance and Emergency Planning		3,631			3,631			3,631		
2,547	0.00%	0	Funding Changes	ESG	2,429	0.00%	0	2,429	77.00%	1,870	2,429	77.00%	1,870
16,476	0.00%	0		Other Government Settlement Changes	15,302	5.00%	765	14,280	5.00%	714	13,784	100.00%	13,784
69,978	0.25%	175		Housing Benefits	69,978	0.25%	175	69,978	0.25%	175	69,978	0.25%	175
1,100	50.00%	550		Academy School transfer leaving deficit budget	880	50.00%	440	880	50.00%	440	880	50.00%	440
725			Total Funding Changes		1,380			3,199			16,269		
General Financial Climate													
5,248	5.00%	262	General Financial Climate	Debt Collection	5,248	10.00%	525	5,248	10.00%	525	5,248	10.00%	525
127,069	0.50%	635		Council Tax	134,221	0.50%	671	141,775	0.50%	709	149,756	0.50%	749
38,747	1.00%	387		Business Rates	40,320	1.00%	403	43,339	1.00%	433	44,123	1.00%	441
31,450	2.00%	629		Discretionary Income	33,546	2.00%	671	33,546	2.00%	671	33,546	2.00%	671
1,914			Total General Financial Climate		2,270			2,338			2,386		
204,527	0.50%	1,023	Additional Budget Pressures		206,073	0.50%	1,030	203,377	0.50%	1,017	205,289	0.50%	1,026
12,325			TOTAL RISK ASSESSED GENERAL FUND		13,289			16,801			33,683		

APPENDIX 3

Earmarked Reserves

Reserves	Balance Brought Forward (£'000)	2016/17 Anticipated Movement (£'000)	Balance Carried Forward (£'000)
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations			
Redundancy	6,973	-6,973	0
Revenue Commitments for Future Capital Expenditure	646	0	646
Development Reserve	6,175	-5,115	1,059
Invest to save Reserve	0	990	990
University	244	-46	199
	14,037	-11,143	2,894
Insurance Reserves			
Fire Liability	2,434	0	2,434
Motor Insurance	977	0	977
	3,411	0	3,411
Reserves of trading and business units			
Shire Catering and Cleaning Efficiency	607	0	607
	607	0	607
Reserves retained for service departmental use			
Care Act Reserve	500	-500	0
Economic Development Workshops Major Maintenance	380	-220	160
External Fund Reserve	0	471	471
Financial Strategy Reserve	9,805	18,296	28,101
Highways Development & Innovation Fund	492	90	582
Major Planning Inquiries	504	-504	0
New Homes Bonus	5,547	-1,638	3,909
Planning Reserve	1,147	-1,147	0
Public Health Reserve	2,152	-2,152	0
Repairs & Maintenance Reserve	1,421	0	1,421
Resources Efficiency	3,662	-3,400	262
Revenue Commitments from Unringfenced Revenue Grants	3,763	-1,985	1,778
Severe Weather	3,151	-1,100	2,051
Shropshire Waste Partnership (Smoothing)	389	-389	0
Theatre Severn R&M	29	-29	0
TMO Vehicle Replacement	638	-338	300
	33,579	5,455	39,035
School Balances			
Balances held by schools under a scheme of delegation	7,173	-764	6,409
Education – Staff Sickness Insurance	187	0	187
Education – Theft Insurance	98	0	98
Schools Building Maintenance Insurance	1,749	0	1,749
	9,206	-764	8,442
Total Reserves	60,841	-6,452	54,389

Pay and Reward Policy Statement For All Council Staff 2017-2018

Contents

1. Introduction
2. Legal Framework
3. Definitions
4. Principles
5. Notice Periods
6. Pensions
7. Senior Pay
8. Accountability and Decision Making on Remuneration and Reward
9. Review of Policy

Appendices

- i) **Appendix A – Shropshire Council Pay Scales (NJC Staff)**
- ii) **Appendix B – Pensions and Retirement Policy**
- iii) **Appendix C – Redundancy and Compensation Policy**

Summary

Shropshire Council recognises the importance of managing pay fairly and in a way that motivates staff to make a positive contribution and support the delivery of the Council's objectives. The pay policy details our approach to managing pay and reward in a way which supports the aims and objectives of the organisation.

This policy applies to all council staff, excluding schools where a separate policy exists.

1.0 Introduction

- 1.1 Shropshire Council has a clear written policy on wages and salaries for all staff employed at the Council to ensure that all staff are rewarded fairly, without discrimination, for all the work they do.
- 1.2 When reviewing the pay policy, Trade Union Representatives will be consulted as appropriate and their views taken into account when deciding the respective elements of the pay policy.
- 1.3 Shropshire Council recognises that pay is not the only means of rewarding and supporting staff, and the Council endeavours to ensure that all staff have good working conditions, regular access to appropriate development and training opportunities, and other forms of financial and non-financial reward.
- 1.4 This policy aims to reflect:-

- pay and grading underpinned by job evaluation (where a scheme exists)
- fairness and equality of opportunity
- the need to encourage and enable people to perform to the best of their ability
- the need to recruit and retain skilled, experienced, and qualified staff in a competitive market

1.5 Shropshire Council's employment offer includes a wider range of benefits alongside pay

- access to learning and development
- access to local government pension scheme
- flexible working where this fits business needs
- Performance management which incorporates smart objectives and behaviours
- access to a range of benefits offered through 'Shropshire Rewards'
- carrying out work which is of public value and contributes to making Shropshire a great place to live and work.

1.6 To make these principles work, Shropshire Council needs remuneration arrangements which:-

- Are based on a clear and rational process for setting and reviewing the pay of employees;
- Provide a pay framework and levels of remuneration which are sufficiently flexible and reasonably competitive, taking account of relevant benchmarking, and market related pay data at local and national level;
- Enable the Council to recruit and retain employees with the required skills, knowledge and experience; and
- which are affordable by the Council and support the provision of good quality public services.

1.7 Shropshire Council will make this policy and any related procedures available to all staff, ensuring that any concerns, complaints or formal appeals about its application are managed promptly, fairly and objectively.

1.8 Shropshire Council wishes to ensure that development and promotion opportunities, where possible, are available to all employees.

1.9 Shropshire Council will not promote staff through the grading system nor use other pay mechanisms in order to assist in securing an employee's improved pension entitlement on retirement.

2.0 Legal Framework

2.1 The primary legislation governing equal pay is the Equalities Act 2010 and subsequent amendments. This requires employers to ensure that men and women in the same employment, carrying out equivalent work (as defined below), receive the same level of pay. The following terms are contained in Equal Pay Legislation:

- 'Like work' is defined as work which is the same or broadly similar
- 'Work rated as equivalent' is defined as work which has achieved the same or similar number of points under a job evaluation scheme.

- 'Work of equal value' is defined as work which is broadly equal in value when compared under headings such as effort, skill and decision making responsibility.

- 2.2 In addition, indirect discrimination has been incorporated into equal pay as a result of case law in the UK and Europe. Indirect discrimination may arise when the pay policy has a disproportionate impact on one particular sex.
- 2.3 Differences in pay may be justified where it is established that the difference is for a genuine and material reason which is not related to gender.

3.0 Definitions

- 3.1 For the purposes of this policy and in line with legislation, pay is defined by Article 141 of the Treaty of Rome as:
The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives, directly or indirectly, in respect of his (or her) employment from his (or her) employer.

- 3.2 Pay therefore includes allowances, pensions, discretionary bonuses, annual leave and sick pay, as well as other non-financial benefits such as vocational training.

- 3.3 Chief Officer means the Head of Paid Service - Chief Executive, Director of Children's Services, Director of Adult Services, Director of Public Health, Director of Place & Enterprise, Monitoring Officer, Section 151 Officer, and Heads of Service. For further details of the Council's delegations to officers including delegations to Chief Officers, see Part 8 of the Council's Constitution or follow the link below:

[http://www.shropshire.gov.uk/democracy.nsf/viewAttachments/MJOS-97REXG/\\$file/08-part-8-delegations-to-officers.pdf](http://www.shropshire.gov.uk/democracy.nsf/viewAttachments/MJOS-97REXG/$file/08-part-8-delegations-to-officers.pdf)

4.0 Principles

4.1 Pay Structures

- 4.1.1. Shropshire Council's pay structure is currently split across three sectors, described below. The pay range for a large proportion of staff will be based on the NJC framework for Local Government Services. (The Green Book). The national pay spine will apply for posts on Grades 1 to PO 22 / Band 15. Salaries in Shropshire Council have been reduced, as part of changes by the Council to staff terms and conditions of employment, except for those employees on the lowest pay levels, in two stages October 2011 and again in October 2012. In the latter there was a pay increase and a pay reduction wrapped into the change.

Current arrangements for these grades provide for individuals to receive annual incremental progression within the grade.

(NB. Incremental progression was frozen from 1 April 2011 until 31st March 2013 and reinstated from 1 April 2013.)

- 4.1.2. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining

machinery and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of commissioning or providing high quality services to the community, delivered effectively and efficiently and at the times at which those services are required.

- 4.1.3. Equal Opportunity Considerations – pay and conditions will apply equally to employees working full-time and part-time in accordance with the Part-time Employment (Prevention of Less Favourable Treatment) Regulations 2000.

See Appendix A for current pay scales for Grade1 to PO22 / Band 15.

4.2 Pay Range – Grades 1 to 10

- 4.2.1. For the majority of its staff, Shropshire Council operates a Grade 1 to 10 pay structure, ranging from spinal column point (SCP) 8 to SCP 34. The Shropshire grading structure has been developed through the local application of the National Joint Council (NJC) Job Evaluation Scheme. The NJC Scheme is designed for application within local authorities and provides a mechanism for reviewing the duties and responsibilities of the posts to determine the appropriate grade.
- 4.2.2. Salary on recruitment in all pay ranges should be set at a level within the range consistent with attracting and securing the appointment of good calibre people. Flexibility exists to pay a higher incremental point or a higher salary within the range for both recruitment and retention purposes. Such practice must be made within budgetary arrangements and taking account of equality implications.
- 4.2.3. The lowest remuneration for Council employees is Grade 1, SCP 8 £14,617 p.a. These are, in essence, the council's "lowest paid employees", by the fact that this grouping comprises the lowest paid workers in the council. These jobs have been objectively evaluated against their job content in the course of the implementation of Job Evaluation in Shropshire Council. (The Council also employs apprentices who are not included within the definition of 'lowest paid' as they are temporary training posts).
- 4.2.4 Following national negotiations between the NJC and three trade unions (Unison, GMB and Unite), agreement was reached for a pay award for 2016-2018. The agreement covers employees on spinal column points scp 6 to 60.
- 4.2.5 On 1 April 2016 the National Living Wage (NLW) for employees aged 25 or over came into effect. This started at £7.20 per hour and will rise annually to £9.00 by 2020.
- 4.2.6 Shropshire Council's pay structure was amended in agreement with the Trade Unions on 1 April 2016 to take account of the NLW. The pay structure starts at scp 8 and the values for 8, 9 and 10 are shown below:

Grade	Scp	Hourly Rate £
1	8	7.5768
2	9	7.6882
3	10	7.7458

4.3 Pay Ranges – Principal Officer (PO)

- 4.3.1. Shropshire Council has operated a PO pay scale, ranging from SCP 33 to SCP 57, across 22 grades. This means that each grade overlaps with the pay scale of the grade above and below. These cover posts requiring a high level of technical/ professional competence or have management responsibilities.
- 4.3.2. Work has been ongoing to implement a new pay structure for PO graded posts based on a 5 band, 5 increment pay structure with each band abutting (rather than overlapping) each other. This pay structure uses existing spinal column points and has been developed by carrying out a benchmarking job evaluation exercise on approximately 100 jobs using the Monks JE Scheme. Implementation of the new bands is being carried out as part of restructuring activities. All PO graded posts will be moved to the new banded pay structure by during 2017.
- 4.3.3 As previously mentioned in 4.2.4 the NJC agreed a pay award made up of a % increase to salary which was implemented in April 2016 for all grades covering scp 6 to scp 60.

4.4 Pay Ranges – Senior Pay Band

- 4.4.1 The Senior Manager Pay bands were revised in December 2010. The bands were determined following an assessment of median base pay for Public Sector Managers carried out by Price Waterhouse Coopers in September 2010. The rates were reduced by 2.7% with effect from 1 January 2012, and were further reduced in October 2012 by 1.7%.
- 4.4.2 The Joint National Council (JNC) for Chief Officers agreed a pay award for the period 1st April 2016 to 31st March 2018. The award was 1% increase for all Chief Officers paid on 1st April 2016 and 1st April 2017.
- 4.4.3 The current grades are shown below and take account of the position detailed in 4.4.2 and 4.8.2.

Grade	Pay Range	Job Title
SP 1	£101,990	Chief Executive
SP 2	£99,929	Director
SP 3	£87,567 to £92,718	Head of Service
SPB 4	£70,700 to £83,667	
SPB 5	£54,137 to £63,981	Service Manager

4.5 Other Pay Schemes

- 4.5.1 Shropshire Council has a small number of employees on other nationally determined pay scales and conditions, including:
- Soulbury (teaching staff now in Education Improvement Roles)
 - NJC for Youth Workers
 - NHS (TUPE staff only)

- 4.5.2 These pay schemes are used to give greater flexibility to meet particular service needs and assist in recruitment and retention of appropriately qualified and experienced staff within the respective sectors.

4.6 Salary Progression

Grade 1 to PO22/PO Band 15 (scp 8 to scp 59)

- 4.6.1. Incremental progression within the evaluated grade is due on the 1st April each year based on performance at work, or 6 months after appointment if less than 6 months in the new grade by 1st April, i.e. an increment is paid after 6 months if the employee is appointed between 1st October and 31st March.
- 4.6.2. Posts are usually advertised within salary bands which contain several annual increments, and where the top of the salary band advertised represents the maximum incremental point within that pay range. Appointments are normally made at the minimum of the pay range, unless there is an objectively justifiable reason e.g. the candidate's previous experience or difficulties in recruiting at the lowest pay point. However, the advice of Human Resources must be sought in these cases, to ensure equality issues have been considered.
- 4.6.3. Incremental progression (for posts on NJC for Local Government Services terms and conditions) up to Band 14 within the pay range for the job takes place until the maximum SCP of the job is achieved.
- 4.6.4 For Band 15, individuals are appointed to one of three spinal column points (55, 57 or 59). There is no automatic incremental progression within this grade.
- 4.6.5. **Accelerated Increments** -The salary of an employee may be accelerated within the grade on the grounds of special merit or ability, by up to two increments, provided that the maximum of the grade is not exceeded. The additional benefit of increments granted in this way is not carried over on the regrading of the post or on the employee's promotion to a higher graded post.
- 4.6.6. **Additional Increments**
- 4.6.6.1. Up to two additional increments may be granted to employees (graded on an NJC grade) beyond the normal maximum of the grade of the post to which they are appointed.
- 4.6.6.2 The award of up to two additional increments may only be made to employees who have consistently achieved a high level of performance and who have made a significant contribution to the Council's work.
- 4.6.6.3 All employees who have completed 35 years of service will be considered, but not automatically accepted for the additions.
- 4.6.6.4 At any one time, the number of employees receiving additional increments shall not exceed 3% of the number of full time employees employed under the conditions of service to which the scheme applies.
- 4.6.7. **Honoraria**

4.6.7.1. An employee, who for any reason other than the annual leave of another employee is called upon at the request of their Directorate to undertake the full duties and responsibilities of a higher graded post for a continuous period of at least four weeks, is entitled to be paid in accordance with the grading of the post temporarily occupied. The salary to be paid in such circumstances is the salary that would apply if the employee were promoted to the higher graded post. Once the qualifying period of four weeks has been satisfied the higher salary will be paid with effect from the first day on which the employee was required to undertake the full duties and responsibilities of the higher post.

4.6.7.2. In any case where there is no automatic entitlement to a higher salary the Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to an employee who performs duties outside the scope of his post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous.

4.6.8. Ex Gratia Payments

4.6.8.1. The principal purpose of the ex-gratia payments scheme is to maintain the goodwill of staff who have suffered personal loss during the course of their duties and where no provision exists for the claim to be referred to the council's Insurers.

4.7 Senior Pay Band

4.7.1 New appointments will normally commence on the bottom of the salary band or on an 'entry salary' within the bottom 10% of the salary band. However, this may be adjusted to take account of previous experience and remuneration.

4.7.2. Any additional payment within the Senior Pay Band will be based on performance in relation to the achievement of objectives and on meeting the behavioural competences set.

4.7.3 Progression within Senior Pay Band was frozen for 2 years until 1 April 2013, pending the implementation of a Performance Related Pay Scheme. Decisions have been made not to proceed with implementing such a scheme given the amount of change and service redesign that is taking place across the organisation. In April 2013, an Increment was created and applied to those on SPB5 in recognition of performance and in the absence of a formal Performance Related Pay Scheme. The increment was equivalent to 2.4% of current pay with n the grade and the value did not exceed the top of the pay band. No further pay progression within SPB5 has occurred since.

4.7.4 Given that the SPB grades for Senior Managers have been in place since 2010, it is intended to undertake a review of these grades during 2017 to ensure they are still fit for purpose.

4.7.5 Senior Pay SP1 – Chief Executive Pay

4.7.5.1 From national data produced for Local Government Employers, we have identified that the pay of the Chief Executive is circa 60% lower than the median salary when compared to other similar local authorities. There is significant risk to this local authority that the Chief Executive will leave for a higher paid post, or that if he should move on there is a

real risk that at the current remuneration level we would not be able to recruit a suitable successor. In addition the low level of remuneration of the Chief Executive has a negative impact on the reputation of the Council.

4.7.5.2 A performance related pay element specifically for SP1 was established on 1 April 2016 which is a non-consolidated payment of up to £25,000 per annum. A performance related pay scheme with a mutually agreed set of objectives has been introduced to measure the performance of the Chief Executive.

4.8 Pay Review

4.8.1. Grades 1 to PO22/PO Band 15 are reviewed in line with the National Pay Award for Local Government staff, as described in 4.2.4.

4.8.2 Shropshire Council's Senior Pay Bands are locally determined and not subject to national pay negotiations by the JNC for Chief Executives and Chief Officers in Local Authorities. There are no automatic cost of living increases any adjustments to the pay band range are based on affordability and market forces. In the absence of any other locally agreed method for pay determination for this group for 2016-18 the pay review reflected the nationally agreed award detailed in 4.4.2

4.9 Market Supplement

4.9.1. Basic pay may be supplemented by a market supplement which reflects the current national or regional rate for the nature of the post, as long as market evidence on demand for these skills supports it. This market supplement will apply to a relatively small number of people, and will be subject to review, e.g. Children's Safeguarding Social Workers.

4.9.2. Any Market Supplements are reviewed annually and can be adjusted or removed in line with market changes.

4.10. Recruitment and Retention Payments

4.10.1 The Head of Human Resources has delegated powers under Shropshire Council's Constitution to introduce and maintain employee benefits, other than the provision of cars, where these are likely to assist with recruitment and retention and where the costs can be found within existing budgets.

4.11 Pay Data

4.11.1. Shropshire Council will obtain up to date local, regional and, if appropriate, national pay data to inform decision making on local pay awards and market levels, alongside, other relative factors e.g. labour turnover rates.

4.12 Allowances

- **Sick pay**

During 1st year of service 1 month's full pay
 During 2nd year of service 2 months' full pay
 During 3rd year of service 4 months' full pay
 During 4th and 5th years of service 5 months' full pay

After 5 years of service 6 months' full pay

- **Overtime**

Additional hours / overtime, which are not eligible for an enhancement (for night, weekend or public holiday work), will be paid at plain time.

- **Subsistence**

Subsistence payments for reimbursement of the cost of breakfast and evening meal are made when an employee is required to stay away from their home overnight on Council business, on production of appropriate receipted evidence of such expenditure.

- **Annual Leave**

All staff are eligible to receive 25 days annual leave plus bank holidays per year, with 5 days extra awarded to those staff with 5 years local government service, giving a maximum entitlement of 30 days a year.

- **Office Hours / Annualised Hours**

The public opening hours for Shropshire Council are 7am to 7pm, Monday to Friday and 8am to 1pm on a Saturday. All staff are subject to Annualised Hours, i.e. they are contracted to work a set number of hours over a year, not a fixed working week, with working patterns being made in line with the Flexible Working Hours policy.

- **Callout/Standby**

Payments are made to reflect the unsociability of working in particular circumstances, where an employee is recalled to work at short notice. These are locally agreed.

- **Relocation**

Shropshire Council may provide relocation assistance to new recruits as part of the employment package; this is offered on an exceptional basis to attract candidates to hard to fill roles. The Council does not make payments to employees to reflect the costs of increased travel to work if the employee's work location changes. Approval of relocation assistance is delegated to the Head of Human Resources.

- **Salary Protection**

Shropshire Council operates salary protection arrangements in a range of circumstances including:

- where an employee has been at risk of redundancy and is successfully redeployed to another post at a lower salary (within 15%)
- Where an employee has been redeployed to another lower graded post due to a disability or health related issue
- Where as a result of a restructuring or grading review/ job evaluation process the grade of the post is reduced

In these circumstances the employee will receive pay protection (based on the level of pay but not hours of work). Protection normally applies for a period of up to 12 months.

• Car Allowances

Employees using their cars, motor cycles or cycles for the efficient performance of their duties, which have been agreed by their line manager, will be eligible to receive an allowance in line with HMRC Approved Mileage rates as follows

Cars	Up to 10,000 miles (in each financial year April to March) – 45p per mile Over 10,000 miles (in each financial year April to March) – 25p per mile
Motor Cycle	24p per mile
Cycles	45p per miles for the first 10,000 miles (for cycles, reimbursement above 20p per mile is liable for income tax)

4.13 Termination of Employment

- 4.13.1. In relation to the termination of employment, the Council will have due regard to making any appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including any legal costs, disruption to services, impact on employee relations and management time. This is consistent with the risk management practices of well governed organisations in private, public and voluntary/charitable sectors.
- 4.13.2 Where a severance package (not including employee statutory entitlements) exceeds £100,000, the decision to award such a package will be made by full Council.
- 4.13.3. Shropshire Council has adopted a policy preventing any employee who has retired early from being re-employed or re-engaged by the authority other than in exceptional circumstances.

5.0 Notice Periods

- 5.1 The contractual period of notice required to be given to an employee to terminate their employment, and that required of them on resignation, will be clearly stated in the terms of their appointment. The following local scheme on contractual notice periods has been adopted for NJC employees:-

Those graded up to and including Grade 8	1 month
Those graded Grades 9 and 10 (scp 29-34) inclusive	2 months'
Those graded Band 11 (scp 35-39)	2 months'
Those graded Band 12 (scp 40-44)	3 months'
Those graded Band 13 (scp 45-49)	3 months'
Those graded Band 14 (scp 50-54)	3 months'
Those graded Band 15 (scp 55, 57, 59)	3 months'

Where appointments are made to linked grades the contractual notice period will be as at the maximum of the grade advertised.

- 5.2 The contractual notice period for Chief Officers is 3 months.

- 5.3. The statutory provisions relating to minimum periods of notice to be given by the employer to any employee are as contained in the Employment Rights Act 1996

Period of continuous employment - Minimum notice

One month or more but less than 2 years	Not less than 1 week
Two years or more but less than 12 years	1 week for each year of continuous service
12 years or more	Not less than 12 weeks

- 5.4 The employer's obligation to the employee under the contractual notice agreed must always be read against any additional notice required to be given to the employee under the statutory grade. Therefore an employee with one month's contractual notice entitlement, with 5 years' service, will be entitled to five weeks statutory notice on the termination of their employment by the Council and an additional week's notice for each additional year's service up to a maximum of 12 weeks' notice.

6.0 Pensions

- 6.1 All Council employees are entitled to join the Local Government Pension scheme (LGPS) which is offered by Local Government Employers. If staff are eligible for membership of the LGPS, they will automatically become a member of the "scheme". in accordance with the Auto Enrolment Regulations. Employees have the right to decide to opt out of the "scheme" by following the required process. The benefits and contributions payable under the Fund are set out in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013. Appendix B provides details of Shropshire Council's Pensions and Retirement Policy and Appendix C details of the Council's Redundancy and Compensation Policy.
- 6.2 The current level of contribution to the scheme by employees effective from 1 April 2015 is as follows, based on actual pensionable pay:

Band	Full-time equivalent salary	Contribution rate
1	£0 - £13,600	5.5%
2	>£13,600.01 - £21,200	5.8%
3	>£21,200.01 - £34,400	6.5%
4	>£34,400.01 - £43,500	6.8%
5	>£43,500.01 - £60,700	8.5%
6	>£60,700.01 - £86,000	9.9%
7	>£86,000.01 - £101,200	10.5%
8	>£101,200.01 - £151,800	11.4%
9	More than £151,800.01	12.5%

The contribution band will be assessed using the actual pensionable pay plus any pensionable extra payments.

7.0 Senior Pay

- 7.1. The salary levels of Chief Officers on appointment is set by elected members, at the relevant committee of the council. The salary details for Chief Officers are published at: <http://www.shropshire.gov.uk/opendata.nsf/open/C9FDB1C9DB74769980257829003B6C52>

This information has been published since October 2010 in the interests of openness and transparency, and shows levels of remuneration for Chief Officers for the previous financial year. The definition of Chief Officer is contained in paragraph 3.3 above.

- 7.2 Under Regulation 4 of the Accounts and Audit (Amendment No2) (England) Regulations 2009 [SI 2009 No.3322] the Council has a legal requirement to report the remuneration of senior employees as part of its published salaries information. This requirement has now been reinforced under section 38 (1) of the Localism Act 2011, which requires the Council to produce a pay policy statement on an annual basis.
- 7.3 The relationship between the rate of pay for the lowest paid Council employees and the chief officers' is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton review 'Review of Fair Pay in the Public Sector' 2010. The Government supports the case for a fixed limit on dispersion of pay, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The Hutton report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest paid salary and the median average salary of the authority's workforce.
- 7.4 The remuneration of the most senior manager within Shropshire Council, the Chief Executive is £101,990. The median basic remuneration for a full time equivalent employee of Shropshire Council is £18,863 per annum. The mean basic pay, based on 3,576 posts ranging in pay from the Chief Executive remuneration to Grade 1 (SCP 8 - £14,617), is £22,498. The current pay multiple from top to bottom of the organisation is 1:7. The ratio from the median pay to the Chief Executive pay is 1:5, which is well within the limits outlined in the Hutton Review.
- 7.5 Chief Officers do not receive bonuses.
- 7.6 The Section 151 Officer (Head of Governance and Assurance) and The Monitoring Officer (Head of Legal and Democratic Services) receive a responsibility allowance of £15,000 per annum.
- 7.7 All Chief Officers are eligible for the same Car Allowance as outlined for all employees in section 4.12 above
- 7.8 Chief Officers are currently entitled to 30 days annual leave.
- 7.9 The Council will have regard to the specific legal requirements which apply to the termination of employment of the Head of Paid Service, the Section 151 Officer and the Monitoring Officer as its Statutory Officers.
- 8.0 Accountability and Decision Making on Remuneration and Reward**
- 8.1 The Council's Cabinet has powers delegated to it in accordance with Section 3 of the Constitution, to make decisions on major policy matters affecting the council as a whole

and to make decisions which have significant service or resource implications across the Council as a whole This includes significant locally determined changes to staff terms and conditions and remuneration.

- 8.2 The Employees' Joint Consultative Committee which consists of Trade union representatives and Members is constituted to agree changes to employee terms and conditions, such as changes to allowances, mileage, and annual leave, subject to ratification by Cabinet and, where the decision has significant financial implications, by full Council.
- 8.3 In accordance with the Council's constitution the Head of Paid Service (Chief Executive) has delegated powers to approve the grading and regrading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service) where the grade maximum is PO17/Band 15 or above (or equivalent). Chief Officers have authority to approve changes to the grading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service), taking account of job evaluation outcomes for posts covered by these schemes and subject to financial provision for the current and future years being available, and the proposed maximum of the grade being below PO 17/Band 15 (or equivalent).
- 8.4 New appointments that are made which have a remuneration package with a value of over £100,000 will be subject to approval of full Council.

9.0 Review of the Policy

- 9.1 This policy will be subject to annual review and amendment, taking account of legislation, external best practise, internal data on recruitment and retention and external pay data etc.

scp	Current 1/4/16		NJC 2016 Pay Offer	
	Salary	Hourly Rate	Salary	Hourly Rate 2016
6				
7				
08	13890.00	7.2000	14617.00	7.5768
09	14199.00	7.3601	14832.00	7.6882
10	14507.00	7.5198	14943.00	7.7458
11	14798.00	7.6706	15094.00	7.8240
12	15104.00	7.8292	15406.00	7.9858
13	15511.00	8.0402	15759.00	8.1688
14	15631.00	8.1024	15865.00	8.2237
15	15876.00	8.2294	16067.00	8.3284
16	16172.00	8.3828	16366.00	8.4834
17	16469.00	8.5368	16635.00	8.6228
18	16758.00	8.6866	16926.00	8.7737
19	17383.00	9.0106	17557.00	9.1008
20	18019.00	9.3402	18199.00	9.4335
21	18676.00	9.6808	18863.00	9.7777
22	19159.00	9.9312	19351.00	10.0307
23	19723.00	10.2235	19920.00	10.3256
24	20367.00	10.5573	20571.00	10.6631
25	21013.00	10.8922	21223.00	11.0010
26	21698.00	11.2473	21915.00	11.3597
27	22418.00	11.6205	22642.00	11.7366
28	23150.00	11.9999	23382.00	12.1202
29	24066.00	12.4747	24307.00	12.5997
30	24872.00	12.8925	25121.00	13.0216
31	25658.00	13.3000	25915.00	13.4332
32	26416.00	13.6929	26680.00	13.8297
33	27194.00	14.0961	27466.00	14.2371
34	27963.00	14.4948	28243.00	14.6399
35	28549.00	14.7985	28834.00	14.9462
36	29305.00	15.1904	29598.00	15.3423
37	30125.00	15.6154	30426.00	15.7715
38	31007.00	16.0726	31317.00	16.2333
39	32028.00	16.6019	32348.00	16.7677
40	32870.00	17.0383	33199.00	17.2089
41	33736.00	17.4872	34073.00	17.6619
42	34597.00	17.9335	34943.00	18.1129
43	35459.00	18.3803	35814.00	18.5644
44	36331.00	18.8324	36694.00	19.0205
45	37148.00	19.2558	37519.00	19.4482
46	38045.00	19.7208	38425.00	19.9178
47	38918.00	20.1733	39307.00	20.3750
48	39782.00	20.6212	40180.00	20.8275
49	40637.00	21.0644	41043.00	21.2748
50	41513.00	21.5185	41928.00	21.7336
51	42382.00	21.9689	42806.00	22.1887
52	43516.00	22.5567	43951.00	22.7822

53	44076.00	22.8470	44517.00	23.0756
54	44935.00	23.2923	45384.00	23.5250
55	45808.00	23.7448	46266.00	23.9822
56	46678.00	24.1958	47145.00	24.4378
57	47514.00	24.6291	47989.00	24.8753
58	48393.00	25.0848	48877.00	25.3356
59	49258.00	25.5331	49751.00	25.7887



Pensions and Retirement Policy

Contents:

1.0 Statement of Purpose/Objective

2.0 Scope

3.0 Roles and Responsibilities

3.1 The Responsibilities of Managers

3.2 The Responsibilities of Employees

4.0 Pension

4.1 Auto-Enrolment

4.2 Joining the Pension Scheme and Contribution Rates

4.3 85 year rule

4.4 50:50 Option

4.5 Transferring pension into the Shropshire Pension Fund

4.6 Awarding Extra Pension

5.0 Retirement

5.1 Early Retirement on Compassionate or Exceptional Grounds

5.2 Early Retirement on the Grounds of Ill Health

5.3 Flexible Retirement

6.0 Working beyond the age of 65

6.1 Applicants over the age of 65

6.2 Existing employees working beyond age 65

6.3 Implications for employees in Local Government Pension scheme

7.0 Pre-retirement courses

8.0 Links to other policies

9.0 Pensions Appeals

10.0 Monitoring and Review

11.0 Further Advice on Pensions

Appendix 1 – Flexible Retirement Process Flow

Appendix 2 – Flexible Retirement Request Manager Report

1.0 Statement of Purpose/Objective

In supporting one of our core values of promoting diversity, Shropshire Council no longer applies compulsory retirement at age 65. An early and flexible retirement age is provided as part of enhancing of the employment policies. This is to ensure that Shropshire Council's retirement policy meets the requirements of the Equalities Act 2010.

2.0 Scope

This policy is effective from April 2014, as a result of the changes in LGPS Regulation.

This policy applies to all Shropshire Council employees, other than those employed by schools, for which a separate policy will apply.

3.0 Roles and Responsibilities

3.1 The Responsibilities of Managers

- 3.1.1 Managers have a statutory duty to ensure that all employees approaching retirement age are informed of Shropshire Council's retirement policy, 6 to 12 months prior to an employee reaching the age of 65. They are also required to be aware of the flexible retirement provisions.

3.2 The Responsibilities of Employees

- 3.2.1 Employees are responsible for deciding whether or not they wish to be a member of the pension scheme and for taking the necessary actions to request the transfer in of any other scheme membership as outlined in this policy. They are also responsible for following the relevant processes outlined below in respect of pension transfers, early retirement or flexible retirement.

4.0 Pensions

4.1 Pension Auto-enrolment

The government has introduced new regulations to encourage more people in the UK to save for their retirement and require employers (both private and public sector) to automatically enrol employees' into a 'qualifying pension scheme'. The Shropshire Pension Scheme is classified as a 'qualifying scheme'.

Employees who have previously opted out of the Pension Scheme, and who are eligible (please see below) for auto enrolment on 1 February 2013, will not be auto enrolled until 1 October 2017 due to a transitional delay.

4.1.2 Eligibility criteria for auto enrolment?

Criteria set by the government means that you will be eligible for auto enrolment if you:-

- are aged 22 or over, and are below state pension age, and
- are paid more than Pension Regulator threshold, which is subject to change each year in line with inflation.

4.1.3 How does this affect you?

Under the Pension Regulations, employees can join the scheme at any time.

If you are currently a member of the Pension Scheme, you will still receive correspondents (for each of your posts) regarding auto-enrolment as the Authority is required by legislation to keep you informed about how this affect you or the Scheme.

If you are not currently a member of the Scheme, and you meet the eligibility criteria on 1st February 2013, you will be automatically enrolled into the LGPS on 1 October 2017. You will receive correspondence from Pensions Services advising you of this. You will have the right to opt out if you wish

You may also be auto enrolled in the following circumstances: -

- a) If you change your role or take on an additional role.
- b) If you become eligible for auto enrolment after 1 February 2013. You will be auto enrolled into the Scheme from the date you become eligible.

So, for example, if your 22nd birthday falls after 1 February 2013, and you are paid more than Pension Regulator threshold you will be auto enrolled from your 22nd birthday.

Likewise, if you are paid more than the Pension Regulator threshold and you meet the age criteria, you will be auto enrolled from the first of the month that your pay increases over that threshold.

If you are auto enrolled, Pension Services will write and advise you of this. You do have the option to opt out of the Scheme if you wish. Forms for this purpose are available on the County Pension Scheme Website.

4.2 Joining the Pension Scheme and Contribution Rates

4.2.1 Employees will automatically become a member of the pension scheme, unless one of the following applies: -

- Unless in a post in which the employee is required to join another public sector scheme, e.g. teachers
- Employed as a casual worker, in which case, if you have worked for us for three consecutive months or more, you are not already in the LGPS and you meet the eligibility criteria detailed in section 4.1.2, you will be written to advising you that we will be applying the transitional delay. If you have worked on a casual basis for less than three consecutive months, you'll be written to advising you that we'll postpone auto enrolment until you have worked for three months, but that you have the right to opt into the LGPS at any time.
- Whereby the offer of employment, and subsequent contract does not exceed three months – You'll be written to advising you that auto enrolment will be postponed for three months, but that you have the right to opt into the LGPS at any time. If your contract is then extended beyond three months, you will be auto enrolled into the LGPS if you are not already a member and you meet the eligibility criteria detailed in section 4.1.2.
- Where the employee has written to Shropshire Pension Fund to confirm they do not want to be a member of the pension scheme. This can only be done once employment with the organisation has commenced.
- Employees aged 75 or over.

4.2.2 Bandings

Effective from 1st April 2015, employees' pension contribution rate will be based on their actual pensionable pay according to the following table:

Band	Full-time equivalent salary	Contribution rate
1	Up to £13,600	5.5%
2	>£13,600.01 -£21,200	5.8%
3	>£21,200.01 - £34,400	6.5%
4	>£34,400.01 - £43,500	6.8%
5	>£43,500.01 - £60,700	8.5%
6	>£60,700.01 - £86,000	9.9%
7	>£86,000.01 - £101,200	10.5%
8	£101,200.01 - £151,800	11.4%
9	More than £151,800.01	12.5%

For those employees who elect to pay reduced contributions, (the 50:50 option), contribution rates will be half of the amount detailed in the table above.

The contribution band will be assessed using the actual pensionable salary plus any pensionable extra payments.

For term time staff, the actual pensionable salary will be based on the actual pensionable salary across the term time week's only, plus any pensionable extras.

Any fee earning staff will be assessed on the previous year's earnings to 31st March or part year if the individual is not employed for the whole year.

The salary figures detailed in the table above will increase on 1st April each year by the rise in the Consumer Price Index.

4.2.3 –Reassessment of Banding

The Council will re-assess bandings for all employees every April, with the exception of the following:

- Promotion or permanent/long term honoraria payments
- Down-grading or demotion
- A re-grading exercise

All of the above will prompt an immediate reassessment.

4.2.4 The Council will not re-assess pension contribution bandings after a back dated pay award.

4.2.5 Individual Pension contribution banding (reviewed every April) can be found on your payslip accessed through MyView

4.2.6 Any appeal against a decision regarding an employees pension contribution banding, or any other decision relating to an employees rights or liabilities under the scheme, will be as detailed in paragraph 9.1 below.

4.2.7 All payments in respect of the job carried out by the employee are pensionable, save for the following exclusions:

- Any sum which has not had income tax liability determined on it
- Any expenses incurred in carrying out the duties of the role
- Any payment made in consideration of loss of holidays
- Any payment in lieu of notice to terminate the contract of employment
- Any retention payment made in order not to terminate the contract
- Any amount paid in relation to the provision of a motor vehicle or any amount in lieu of
- Any payment in consideration of loss of future pensionable payment or benefits
- Any award of compensation for the purposes of achieving equal pay in relation to other employees
- Any payment made by the Authority to a member of staff on reserve forces service leave
- Returning Officer (or acting) fees other than those paid in respect of local government elections, elections for the National Assembly of Wales, Parliamentary Elections or European Parliamentary Elections.

4.2.8 In addition to pensionable contributions, an employee is able to pay additional pension contributions (APC). There is no minimal payment, although the maximum is £6,500 per annum. Advice on this is available from the Pensions team (see paragraph 11.1 below).

4.3 Those scheme members wishing to voluntarily draw benefits on or after 55 and before 60, the 85 year rule will not be applied by the Authority in this circumstance. For those employees would have to meet any strain on fund cost via an actuarial reduction applied to their pension.

85 year rule is a very complex area and individuals considering retirement should contact Shropshire County Pension Fund for clarification as to whether, and if so how, protections apply to their pension benefits.

4.4 50:50 Option

4.4.1 This option allows employees to contribute half the normal contribution rates to the pension scheme, yet still provides the full death in service benefit.

4.4.2 The intention is that this option allows those who wish to join the scheme, but can't afford to pay the full contribution rates, as a "stepping stone" into the scheme.

4.4.3 Should you wish to remain in this option longer term, you will be required to opt out of the full contribution rate scheme every three years and re-join the 50:50 option

4.4.4 The employer will pay the same contribution rates as members paying the full contribution rates.

4.4.5 For new employees to the Council who wish to join the 50:50 option, you must elect to pay reduced contributions as a 50:50 member. You are only allowed to do this once you have started your employment with the Council.

4.4.5 Should you elect to join the 50:50 option, please refer to the Shropshire County Pension Scheme website where you are able to find the application form.

4.4.6 The switch to the 50:50 option will only take effect from the next available pay period and not the date that the application form has been completed.

4.4.7 The Pension Scheme will provide you with information regarding how joining the 50:50 option will impact on your benefits.

4.5 Transferring Pension into the Shropshire Pension Fund

4.5.1 Employees may choose to transfer other pension rights into the Shropshire Pension Scheme. Advice on this is available from the Pensions Team (see paragraph 11.1 below).

4.5.2 Transfers between Local Government Pensions Funds will happen automatically, unless the employee requests for this not to happen.

4.5.3 The request to transfer pension rights as per section 4.4.1, or in the event of 4.4.2 the employee then decides to transfer other Local Government Pension Fund benefits, should normally be made within 12 months of the employee starting employment with Shropshire Council.

4.5.4 In exceptional circumstances, where an employee can demonstrate good cause, they may seek an extension to the first twelve months by up to a further 12 months before making a decision on making an application to transfer their pension rights subject to confirmation from their Director that they are not likely to retire, or be subject to ill-health retirement in the near future. Please note that this provision is **discretionary** and in **all instances**, the employee should write to the Head of Human Resources requesting an extension to the twelve months, detailing any extenuating circumstances. The Head of Human Resources will be the first stage approval, with the Pension Fund having to also agree to the transfer.

4.5.5 Any appeal against a decision not to allow an employee to transfer pension rights, or any other decision relating to an employee's rights or liabilities under the scheme, will be as detailed in paragraph 9.1 below.

4.5.6 Relevant employees (those who have AVC contracts taken out prior to 13th November 2001) at retirement may request to transfer in AVCs (Additional Voluntary Contributions). Requests should be made within 1 month of retiring; however this may be extended to 3 months to allow for administrative procedures.

4.6 Awarding extra Annual Pension

4.6.1 As a result of the changes to the Local Government Pension Scheme Regulations 2014, Augmentation (also known as "Added Years") will no longer be permitted as part of the Scheme and will be replaced by the option for the employer to grant extra annual pension of up to £6,500 to an active member of the scheme, or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency (APC)

4.6.2 Granting extra pension will be considered only in exceptional circumstances and is not an automatic entitlement. The Head of Human Resources, in consultation with the Head of Finance, has discretion to approve an award after taking into account all the financial implications, including sharing the cost with the employee (Shared Cost Additional Pension Contributions – SCAPC). It should be noted that any extra annual pension granted would be subject to an actuarial reduction if the pension is drawn early, other than if on the grounds of Ill Health,

4.6.3 Granting extra pension will also be permitted in accordance with the Council's Redundancy and Compensation Policy

5.0 Retirement

For information on all aspects of retirement please refer to the “Shropshire Fund Pension Scheme Booklet – a guide to your pension” available from the Pensions Team (01743 – 252130) or look on their website <http://shropshirecountypensionfund.co.uk/>

5.1 Early Retirement on Compassionate or Exceptional Grounds

- 5.1.1 With effect from 1st April 2014, the opportunity to apply for early release of benefits on compassionate or exceptional grounds will no longer be available. Employees that left prior to 01 April 2014, the provision for compassionate grounds remains **discretionary** and in **all instances**, the employees should write to the Head of Human Resources detailing the exceptional circumstances and any associated evidence to support their request. The case will then be considered on the basis of the submission and any associated costs that the Council may have to meet.

5.2 Early Retirement on the Grounds of Ill Health

- 5.2.1 With effect from 1st April 2008, a three tiered ill health retirement scheme will apply (amended under the 2013 regulations). Extra membership on the grounds of ill health retirement will be awarded on the following basis:

- The first condition is that the member is, as a result of ill-health or infirmity of mind or body, permanently incapable (that the member will, more likely than not, be incapable until at the earliest, the member's normal pension age) of discharging efficiently the duties of the employment the member was engaged in.
- The second condition is that the member, as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment (in this instance, “gainful” is defined as “paid employment for not less than 30 hours per week for a period of not less than 12 months”)

- 5.2.2 The process for ill health retirements can be found within the Council's policy on “Caring about Sickness”, Section 9

5.3 Flexible Retirement

- 5.3.1 Under the flexible retirement arrangements, employees who are members of the Local Government Pension Scheme, may request a reduction in their hours or move to a lower graded post and also draw their pension whilst continuing to work, under regulation 30(6) of the LGPS Regulation 2013 of the pension scheme regulations. This will be subject to management consent and will only be considered where there is a justifiable business case and the cost, if any, of early release of pension is managed within the section's budget.

It should be noted that as this provision needs to be cost effective, cases will be considered on an individual basis and a reduction in hours needs to equate to a minimum requirement equivalent to one working day (pro-rotta) if already part-time.

- 5.3.2 To be considered for this, employees must:

- be aged 55 or over
- not work in a post or area of work where there are difficulties in recruiting; there are skill shortages or work of a particular nature which requires their skills; with the exception of ill-health (see 5.2)

- get authorisation for early release of their pension.
- 5.3.3 Employees who request a reduction in their hours or in the grade of their post should use the procedure outlined in the Flexible and Agile Working Policy and submit a Flexible and Agile Working Request Form to their Manager. The manager will then complete a Flexible Retirement Request Manager Report, outlining the business case. See Appendix 1 Flexible Retirement Process Flow and Appendix 2 for manager report template.
- 5.3.4 Early release of pension before age 65 may mean pension benefits are reduced (please refer to Section 5.3.5). Employees should therefore obtain information on their pensionable benefits, which would apply in these circumstances before submitting a request. This is available from the Pensions team (see paragraph 11.1 below).
- 5.3.5 The decision to permit an employee to receive immediate payment of their pension under flexible retirement will be authorised by their Director, in discussion with the Head of Human Resources.
- 5.3.6 When making the decision to permit Flexible Retirement, all benefits pre 1st April 2008 will be released. A cost analysis of benefits accrued between the 1st April 2008 and 31st March 2014, and 1st April 2014 onwards will determine whether all, part or none of the benefits are released and whether actuarial reduction, in whole or in part, will be waived to benefits taken before Normal Pension Age (NPA).
- 5.3.7 Once the Manager has received approval from their Director and Head of Human Resources, they should complete the Flexible and Agile Working Acceptance Form and submit a Contract Amendment e-Form through MyView (refer to Appendix 1 for process).

Please note that in order to be accepted for Flexible Retirement, approval is required from the Head of Human Resources and the appropriate Director. Merely accepting the reduction in hours does not automatically release the pension benefits of the employee

6.0 Working beyond the age of 65

6.1 Job applicants over the age of 65

There will be no upper age restriction for job applicants to the Council. Where a job applicant aged 65 or over is appointed, they will receive the standard contractual terms which apply to the post.

6.2 Existing employees working beyond age 65

- 6.2.1 The Employment Equality (Age) Regulations 2006 state that employees have the right to request not to be retired. As Shropshire Council does not apply a compulsory retirement age, an employee can continue in their post beyond the age of 65 if they wish to do so.
- 6.2.2 Performance of all employees will continue to be reviewed through the normal annual performance appraisal mechanisms. When being appraised, no employee should be treated differently because of their age.

6.3 Implications for employees in the Local Government Pension Scheme (LGPS) who work beyond age 65

6.3.1 Employees in the LGPS who continue to work beyond 65

Employees over the age of 65 can remain in the scheme to the eve of their 75th birthday and their LGPS benefits earned up to their Normal Pension Age will be increased to compensate for their late payment. Benefits must be paid from age 75, even if employment continues beyond that age.

6.3.2 Employees formerly in the LGPS who after a break in service are re-employed at 65 or above

Employees under the age of 75 can re-join and remain in the scheme up to that age and benefits must be paid from age 75, even if employment continues beyond that age. Any LGPS pension already in payment will not be affected, but any part of that pension resulting from added years given in early retirement cases may be subject to adjustment. Details are available from the pension section in individual cases.

6.3.3 Employees appointed at 65 or above with no previous reckonable service

Employees under the age of 75 can join and remain in the scheme up to that age and benefits must be paid from age 75, even if employment continues beyond that age.

7.0 Pre-retirement Courses

7.1 Employees who have indicated that they wish to retire will have the opportunity of attending a Pre-Retirement Course, to better prepare them for that change.

7.2 Further details of the Planning a Positive Retirement course are available on SC Intranet: <http://staff.shropshire.gov.uk/training-and-development/staff/planning-a-positive-retirement/>

8.0 Links to Other Policies

8.1 This policy links to Shropshire Council's Flexible Working Framework and to the Council's Redundancy and Compensation Policy, Absence Management Policy with relation to ill health.

9.0 Pensions Appeals

9.1 In accordance with Regulation 73 of the Local Government Pension Scheme (Administration) Regulations 2013, the Council is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision in relation to their rights or liabilities under the Scheme, they may make an application to the Head of Treasury and Pensions, as the person appointed for resolving first stage disputes. An appeal must be made within six months of the event. Standard forms and guidelines are available from the Pension Team for this purpose.

If employees remain dissatisfied, they may apply for a reconsideration of the decision to the Head of Legal and Democratic Services. The final level of appeal would be to the Pensions Ombudsman.

In all instances, all initial concerns, or matters whereby an employee is not in agreement, should be referred to the individual who made the original decision. The Pension Scheme will also be available to advise you of your rights under the Scheme.

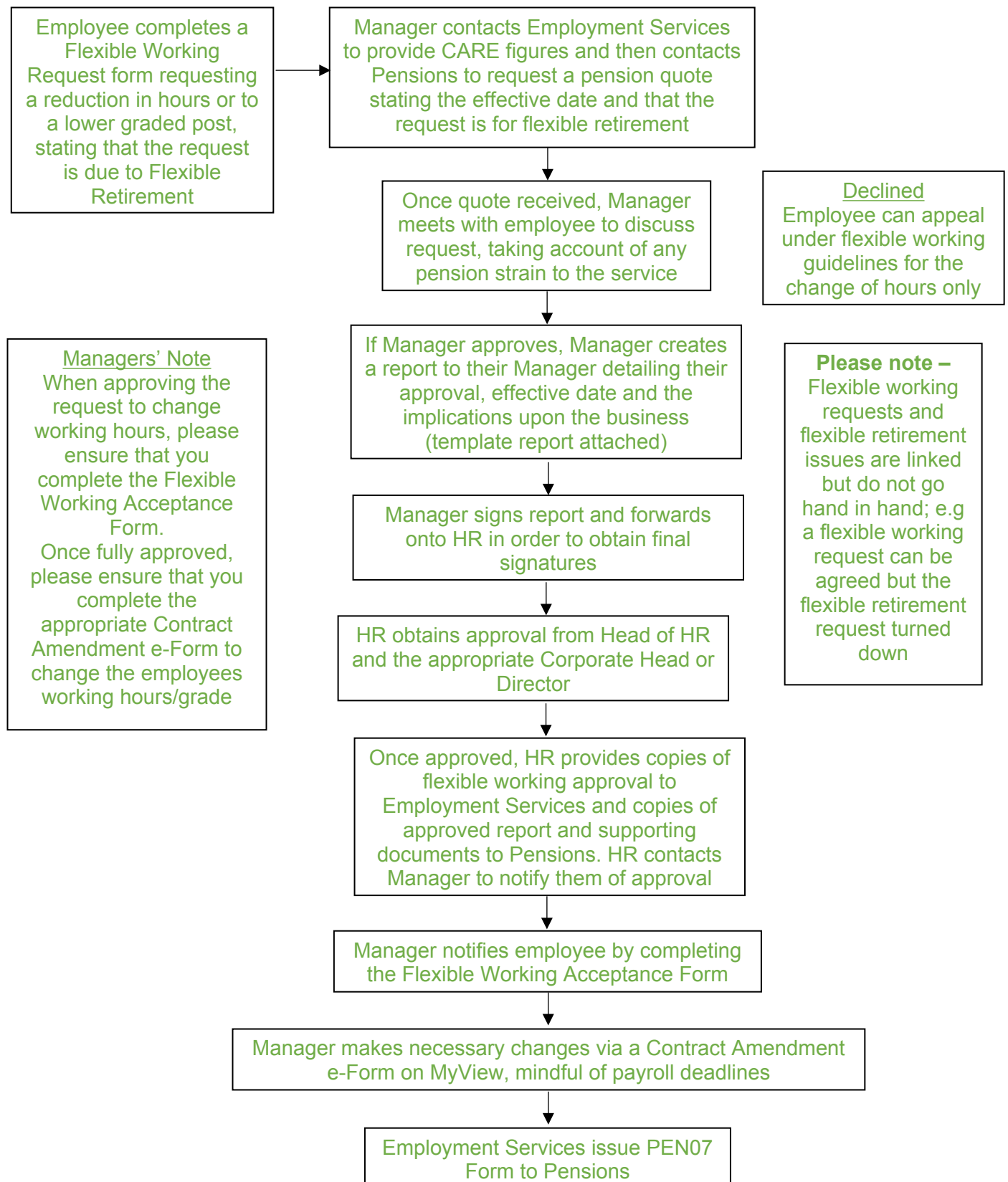
10.0 Monitoring and Review

- 10.1 Human Resources will work with Managers to monitor the application of this policy. Shropshire Council may review any aspect of the procedure in the light of changing circumstances at any time, in consultation with the trade unions.
- 10.2 The policy will be reviewed at regular intervals, in conjunction with changes to legislation, and any changes to the regulations as informed by the LGPS that may impact upon it. .

11.0 Further Advice on Pensions

- 11.1 Advice and information on the Local Government Pension Scheme (LGPS) is available from the Pensions team who can be contacted on 01743 252130 or at pensions@shropshire.gov.uk. Further useful information can also be found at <http://shropshirecountypensionfund.co.uk/>

	Approval date
Policy Forum	8/10/2015
EJCC	23/10/2015

Appendix 1 - Flexible Working Process Flow

Flexible Retirement Request Manager Report

Employee Name:

Employee number:

Background**Include the following in your business case:**

- *Current employment details – include current post, hours worked and current SCP details*
- *Effective date of change and what that change will be*
- *How the approval of the request will benefit the team*
- *Details regarding the strain (if any) on the pension fund, and the cost implications in relation to the team budget (if any)*

I agree to this request for flexible retirement and that pension payments commence with effect from (date).

Direct Line Manager

.....Date.....
(Name and sign)

Post:**Next Level of Line Management**

.....Date.....
(Name and sign)

Post:**Head of Human Resources & Development**

.....Date.....
(Name and sign)

Director of Group or Service Area

.....Date.....
(Name and sign)

Attached supporting paperwork:

Flexible Working Request Form

Flexible Working Approval Form



Redundancy Policy

Contents

1. Introduction
2. Exclusions to the Policy
3. Objectives
4. Potential Redundancy Situation
5. Alternatives to Compulsory redundancy
6. The Consultation Process
7. Application of the Compulsory Redundancy Criteria
8. Redeployment
9. Issuing Notice of Redundancy
10. Appeals Against redundancy
11. Redundancy Payments
12. Payment of Pension
13. Assistance to Seek New Employment
14. Review of Policy

Appendix A Redundancy Selection Criteria

Appendix B Redundancy Appeals Procedure

1. Introduction

- 1.1 Shropshire Council aspires to be a fair and equitable employer committed to the principle of maintaining the highest possible level of job security for its employees. However, it is recognised that there may be certain circumstances e.g. in times of severe budgetary constraints when staffing reductions are necessary.
- 1.2 In the event of a potential redundancy situation being identified Shropshire Council will endeavour to address this by limiting external recruitment, redeploying employees where possible, considering requests for voluntary redundancy and other reasonably practicable measures in order to avoid a compulsory redundancy situation. However, should compulsory redundancy become necessary Shropshire Council will strive to ensure a consistent and fair method of selection is applied.
- 1.3 The Redundancy Policy sets out how potential redundancy situations and, if necessary, compulsory redundancies will be managed within Shropshire Council.
- 1.4 The policy applies to all Council employees, except those employed directly by schools who have a specific policy available on the Schools Learning Gateway.

2. Exclusions to the Policy

- 2.1 The Redundancy Policy will not apply in the following circumstances:
 - Termination during, or at the end of a probationary period of service in accordance with the Probationary Performance Policy, whether or not the probationary period was extended beyond its originally specified duration.
 - Resignation by an employee, or other termination, by mutual consent.
 - To agency staff, contractors or external consultants.
 - Apprentices who do not secure permanent employment after their training.
 - Employees on a fixed term contract with less than 2 years' service in the affected post.

3. Objectives

- 3.1 The objectives of the Redundancy Policy are to:
- Ensure the Council complies with its legislative requirements in relation to redundancy situations;
 - Provide clear advice when handling potential redundancy situations;
 - Outline measures that may be available to seek to minimise or avoid compulsory redundancy;
 - Set out a clear framework for the management of compulsory redundancy situations including the application of a Redundancy Selection Criteria;
 - Ensure that where compulsory redundancy is necessary employees leave the Council feeling that they have been treated in a fair and equitable manner.

4. Potential Redundancy Situation

- 4.1 A potential redundancy situation arises when:
- An employer has ceased, or intends to cease, to carry on the business in the place where an employee was so employed; or
 - Where the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish; or
 - Where the requirements of the business for employees to carry out work of a particular kind, in the place where they are so employed, have ceased or diminished or are expected to cease or diminish.
- 4.2 As soon as it becomes evident that a potential redundancy situation could exist then the Service Manager, in conjunction with HR Business Partner will identify those likely to be affected, both directly and indirectly.
- 4.3 In some instances the employee(s) to be made redundant will comprise all those undertaking a particular job. In these circumstances, however, care must be taken to check whether a wider group of employees could potentially be affected as a consequence of them having similar or common contracts of employment. In this situation it may be appropriate to ring fence those employees highlighted and follow the process as detailed in Appendix A.

5. Alternatives to Compulsory Redundancy

- 5.1 In order to avoid or reduce the need for compulsory redundancy alternative measures will be considered. These will include the following:
- Natural wastage through normal staff turnover;
 - Suspending relevant external recruitment;
 - Reducing overtime;
 - Reducing the number of hours worked;
 - Voluntary redundancy;
 - Redeployment within the Council.

6. The Consultation Process

- 6.1 Consultation must be carried out “in good time” i.e. as soon as redundancies are proposed. Where 20 or more redundancies are proposed there is a statutory duty to consult with the Trade Unions. The Chief Executive or Director with the support of HR will be responsible for issuing a Section 188 notice to the relevant Trade Unions and submitting a HR1 form to the Secretary of State.

- 6.2 When consulting staff, it is important to consult those who are sick, on maternity, paternity or adoption leave. Failure to consult an employee on maternity leave may lead to a successful sex discrimination claim at tribunal, with unlimited compensation.
- 6.3 Where the Council is proposing to make redundancies consultation must begin at the earliest opportunity and no less than follows:

Number of employees	Period of Consultation
between 20 and 99 employees at one establishment within a period of 90 days or less,	at least 30 days before the first of the dismissals takes effect.
Over 100 employees at one establishment within a period of 90 days or less,	a period of at least 45 days consultation will apply.
fewer than 20 in one establishment	the Council will endeavour to observe a consultation period of at least 30 days

- 6.4 Fixed term contracts that have reached their termination date or will terminate during the consultation time are excluded from the requirement to consult collectively.
- 6.5 An employee(s) and, where appropriate, his/her representative(s) will be provided with the following information as part of the genuine and meaningful consultation process:
- The reason(s) for the proposal(s);
 - The number(s) and description of employees proposed to be dismissed as redundant;
 - The total number of employees of that description employed at the establishment in question;
 - The timeline of the planned consultation period;
 - The proposed structure;
 - The proposed method of selecting the employees who may be dismissed;
 - The proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect; and
 - The proposed method of calculating the amount of any redundancy payments – other than statutory payments – to be made to the employees who are dismissed.

Consultation will also include ways of:

- Avoiding or reducing the number of dismissals i.e. considering other options instead of dismissal; e.g. suspending recruitment or reviewing the options for redeployment; and
- Mitigating the consequences of dismissal, e.g. outplacement support

During the consultation process all employees have the option to have individual consultations with management and HR to discuss their options or to put forward evidenced counter proposals to the planned restructure or redundancy.

7. Application of the Compulsory Redundancy Selection Criteria

- 7.1 If, despite consideration of alternative measures, the need for compulsory redundancy is unavoidable, then the 'Redundancy Selection Criteria', attached at Appendix A to the Policy, will be used to determine which employee(s) will ultimately be declared redundant unless it is evident that all employees will be made redundant. In the event of a restructure or job re-design the selection method may be through interviews. It should be noted that the Council reserves the

right to amend the redundancy selection criteria/weighting where circumstances suggest that this would be reasonable.

- 7.2 All employees involved in the redundancy selection process will be provided with a copy of the 'Redundancy Selection Criteria', together with an explanation as to how this will be applied, prior to the redundancy selection taking place.

8. Redeployment

- 8.1 The Council will make every reasonable effort to find alternative work within the organisation for any employee who is selected for redundancy. Such employees will be added to the redeployment register for any available vacancies at the time of their redundancy selection and during their notice period.
- 8.2 Where either an employee or management have identified a post as being potentially suitable alternative employment the employee will need to participate in a selection process in order to establish whether or not the position is suitable for the employee taking into account his/her skills, knowledge, experience, level of seniority as well as the terms and conditions of the post.
- 8.3 Employees who are on Maternity, (or Adoption), leave are legally entitled to be offered any suitable alternative job before any other employee. Failure to do so will result in the dismissal being automatically unfair.
- 8.4 Where an alternative post offered is substantially the same with regards to:
- Existing Grade
 - Work location;
 - Duties of the post;
 - Working hours

the post will be considered Suitable Alternative Employment (SAE).

If the employee accepts the offer of redeployment they will be entitled to a 28 day trial period. The purpose of the trial period is to enable both the Council and an employee to assess the suitability of the post.

- 8.5 Should the Council deem an employee to be unsuitable for the post, or the employee themselves has concerns about their new role during the 28 day trial period, appropriate action will be taken in consultation with the employee, which may include seeking further redeployment opportunities, but may also include an employee finishing work in line with notice previously issued.

The determination of what is suitable and, indeed, what constitutes an unreasonable refusal is not statutorily defined and hence each case will need to be determined on merit and in consultation with HR

Should an employee unreasonably refuse an offer of SAE, the employee will lose his/her right to any redundancy payment that may be due.

For more information please refer to the Redeployment Procedure.

9. Issuing Notice of Redundancy

- 9.1 Notice of redundancy will not be issued until the agreed consultation period has elapsed.

- 9.2 The Council's obligation to the employee must always be read against any additional notice required so the notice period will be whichever is greater; statutory or contractual. Therefore an employee in a Grade 7 post with a contractual notice period of 1 month who has 6 years' service will be given 6 weeks statutory notice. For more information on notice periods please see the Periods of Notice Policy.
- 9.3 Payment in lieu of notice is not justifiable in cases where the timetable for redundancy is known sufficiently well in advance to give normal notice, and there is nothing else preventing this.
- 9.4 If you have been made aware through consultation that you are at risk of redundancy the employee and manager need to work together to ensure that all pro rata annual leave and credit/debit hours are taken wherever possible. Payment of annual leave is not justifiable in cases where employees have known sufficiently well in advance of their termination date. Annual leave needs to be pro rata to their termination date and used prior to leaving. In the event that an individual has exceeded their annual leave entitlement, action will be taken to recover the amount from pay.

10. Appeals against Redundancy

- 10.1 Notice of redundancy will contain details of the right of appeal against Selection for Redundancy to the Redundancy Appeals Panel. Any appeal must be submitted in writing to the Head of HR within **10** working days of receipt of the redundancy notification and provide all details of the reason for the appeal. For the full appeal process see Appendix B.
- 10.2 While an appeal is in progress, the contractual period of notice will continue to run from the original date of notification of redundancy.

11. Redundancy Payments

- 11.1 All eligible employees (see paragraph 2.1) who are made redundant either following a call for volunteers, or through a compulsory redundancy and have a minimum of two years continuous service with local government or a Redundancy Modification Order body are entitled to a redundancy payment. Redundancy payments are calculated dependent of the length of continuous service in the affected post. The maximum length of service counted for statutory redundancy pay is 20 years.
- 11.2 Employees will receive the following entitlement:

Service	Entitlement
For service between ages 16 – 21	½ weeks' pay for each completed year of service multiplied by 1.5
For service between ages 22 – 40	1 weeks' pay for each completed year of service multiplied by 1.5
For service from age 41 and above.	1 ½ weeks' pay for each completed year of service multiplied by 1.5

- 11.3 A weeks' pay is defined as the amount to which an employee is entitled under his or her contract of employment when he/she works a normal week. If an employee's working hours vary, or where additional payments are made, pay is averaged over the previous 12 weeks from the date of your termination letter.
- 11.4 If an employee holds more than one post they will only be made redundant from the affected post and will remain in any other posts. Redundancy pay will be calculated on the continuous start date of the post from which they are being made redundant and all other continuous start dates will remain.

For Example:

Post 1: Admin post started 01/01/1990

Post 2: Assistant Social Worker post started 01/01/2005

If you were made redundant from your Admin post then the continuous start date used for redundancy calculations would be 01/01/1990 and your start date would remain as 01/01/2005 for the other post.

If you were made redundant from your Assistant Social Worker post then the continuous start date used for your redundancy pay would be 01/01/2005.

- 11.5 The additional compensatory payment (1.5 multiplier) is calculated taking account of any local government service, and service covered by the Redundancy Payments Modification Order up to a maximum of 20 years in total.

For example:

Current Continuous Service: 4 years from age 41 = 6 weeks' pay (4 x ½ week's pay)

Previous Service: 10 years from age 20 = 9 weeks' pay (2 years at ½ week's pay + 8 years at 1 weeks' pay)

Total: 6 + 9 = 15 week's pay x 1.5 multiplier

- 11.6 Final redundancy payments will be made once the employee has completed their notice period and all final salary payments have been made. The redundancy payment will then be calculated and paid on the next available pay run.
- 11.7 Redundancy payments are expressly exempt from income tax. They will, however, be taken into account in determining whether or not the total compensation paid to an employee exceeds the £30,000 tax-free limit.
- 11.8 Any offer of employment made by any local authority (or specified body covered by the Modification Order) accepted whilst under notice of redundancy and commencing within four weeks of the date of redundancy would disqualify an employee from receiving a redundancy payment.
- 11.9 In the event of being re-employed in another local authority post (or with a related employer) after termination and having received a redundancy payment, continuity of service for purposes of any future redundancy pay rights will start afresh.
- 11.10 All employees are responsible for checking their redundancy calculations to ensure any errors are highlighted as soon as possible.

12. **Payment of Pension**

- 12.1 Any employee who is subject to these redundancy provisions, who is aged 55 and over at the date of termination and is a member of the pension scheme, will be eligible to receive immediate payment of their pension. In these cases, the employing service will meet any additional strain on pension fund.
- 12.2 Purchasing Additional Pension Benefits

If the employee is a member of the Local Government Pension scheme, there will be an option for the council to purchase additional pension benefits under regulation 13 of the Local Government Pension Scheme Regulations 2013 as an **alternative**, but not as well as additional compensation under section 11.1. The award of additional pension cannot exceed £6,500 from

1st April 2015 and that figure is increased on 1st April each year. Additional pension benefits can be purchased by the notional additional compensation i.e. the excess over the statutory payment calculated in accordance with paragraph 11.1. This will be at no extra cost to the Council and the calculation will take into account any additional pension costs met by the Council resulting from the early payment of pension benefits. The employee must be an active member of the LGPS and any decision to opt for this alternative must be made before their employment is terminated.

13. Assistance to Seek New Employment

- 13.1 An employee with at least two years continuous service at the dismissal date has a statutory entitlement to reasonable time off with pay during his/her notice period to look for new employment or to make arrangements to undertake training for future employment. The Employment Rights Act 1996 does not specify what is deemed to be a reasonable amount of time off, However, employers do not have to pay more than two-fifths of a week's pay regardless of the length of time off allowed. For example, if an employee works five days a week and they take four days off in total during the whole notice period, Shropshire Council is only obliged to pay employees for two days. Employees are required to provide reasonable notice of their interview, including proof of the interview date, time and location to their Manager
- 13.2 The council also provides a number of courses for employees facing redundancy to give them the skills and knowledge to apply for alternative employment. Further information is available here.

14. Review of Policy

- 14.1 This policy will be reviewed by HR and Development, in consultation with unions.

Redundancy Selection Criteria**Appendix A****1.0 Introduction**

- 1.1 It is essential that during a redundancy process the Council ensures that fair and transparent criteria for selection for redundancy are identified and applied consistently.
- 1.2 As a preliminary stage to selection, volunteers for redundancy may be invited to express an interest and be considered by management. However the Council is under no obligation to accept these volunteers. Care must be exercised when selecting from a list of volunteers to ensure that a balanced workforce remains in order to meet the demands of the service.
- 1.3 The handling of compulsory redundancies where selection is involved requires a systematic approach, if any dismissals are to be judged as fair. There is also an expectation amongst Trade Unions that in the event of compulsory redundancies being necessary, the Council will adopt reasonable selection criteria. These guidelines are to be used in the event of compulsory redundancies affecting National Joint Council for Local Government Services, Soulbury, Youth Service employees, other than those whose posts form part of the establishment of a school. The guidelines aim to ensure that good industrial relations practice is maintained in dealing with difficulties of this kind. There may be occasions where different selection criteria is used and in this case employees will be made aware of this at the beginning of the consultation period.
- 1.4 Any team or service faced with the problem of achieving employee reductions by selection for compulsory redundancy will have the principal objective of maintaining a balanced workforce after the redundancies are carried out, measured against the anticipated needs of the Authority. On this basis the approach to selection will be as follows:-

2.0 Unit of Selection

- 2.1 The "unit of selection" should be clearly defined - that is the area of work (based on geography, function and/or level) where reductions are necessary. The relevant Trade Unions and employees concerned will be made aware of the unit of selection by the consultative stages required by the Redundancy Policy.

3.0 Selection Procedure

- 3.1 Wherever possible two senior managers and a HR Business Partner together, with responsibility and/or knowledge of staff in the unit of selection will then apply selection criteria in the following way:-

Stage 1

Completion of the Selection Criteria Matrix. The application of the redundancy matrix will effectively score or rank the individuals within the pool and identify those employees who are likely to be 'at risk' of redundancy, depending on the number of redundancies needed in the particular service area. Once agreed, for a specific situation, matrices and weighting cannot be changed to influence the results.

Relevant Qualification and skills	Score
Has all the relevant qualifications and skills required	5
Is working towards a relevant qualification and has the skills required	4
Either has the relevant qualification but does not have all the skills required OR has the skills required but does not have the relevant qualification	3
Does not have the relevant qualification or skills	1

Relevant Experience	Score
Has the relevant experience to be able to be effective in the role with immediate effect, or with minimal development	5
Has relevant experience but would require some structured development	3
Has insufficient experience	1

Work Performance	Score
Regularly exceeds target performance in a number of different and additional tasks	5
Regularly achieves target performance in usual tasks	3
Usually performs below target performance	1

Ability to learn new tasks	Score
Learns new tasks faster than the majority of employees at the same level	5
Learns new tasks as quickly as the majority of employees at the same level	3
Needs longer than the majority of other employees at the same level to learn new tasks	1

Attitude towards others	Score
Is always co-operative with colleagues and managers and demonstrates a positive attitude	5
Usually co-operative with colleagues and managers and normally demonstrates a positive attitude	3
Can sometimes be negative and does not always co-operate fully with colleagues or managers.	1

Continuous Employment	Score
Over 15 years' service	5
Between 10 and 15 years' service	4
Between 5 and 10 years' service	3
Between 2 and 5 years' service	2
Up to 2 years' service	1

Weighting

Compulsory Redundancy

To achieve the total score for an employee, each criterion is weighted by a factor of 1-3 to reflect its relative importance. The weightings take into account the service's requirements to meet its future service needs and targets as well as the need to maintain a balanced workforce. The weighting will be as follows:

- Qualifications & Skills (x3)
- Experience (x3)
- Work performance (x3)
- Ability to learn new tasks (x2)
- Attitudes towards other (x2)
- Continuous Service (x1)

Having weighted the scores, a total is calculated for each employee. For example, where necessary to reduce the headcount in a service area from 20 to 15 a selection matrix is completed for all 20 employees. The 5 with the lowest scores will be provisionally selected for redundancy.

Voluntary Redundancy

- Qualifications & Skills (x1)
- Experience (x1)
- Work Performance (x3)
- Ability to learn new tasks (x1)
- Attitudes towards others (x1)
- Continuous Service (x3)

Stage 2

Where a tie-break situation arises and more than 1 employee has a similar score, the following criteria will be taken into consideration. This criteria is to be used only in such a situation.

Disciplinary Record	Score
No disciplinary record	5
Informal disciplinary discussion / letter of concern	4
Verbal warning	3
Written Warning	2
Final written warning	1

Only current warnings on file where the disciplinary process has been completed at the date of the selection exercise should apply. Do not take into consideration any current or outstanding disciplinary investigations.

Stage 3

If selection is still necessary, timekeeping records will be considered from the previous 12 months. The frequency of and reasons for poor timekeeping will be taken into account.

Stage 4

If it has not been possible to select by Stage 3 then an interview or assessment will be carried out.

- 3.2 The personal circumstances of employees at risk of redundancy must not be taken into account at any stage of the selection process. At all stages the employees concerned should be given details of any records to be used.
- 3.3 Where selection criteria have been applied those selected must be notified as soon as possible and in a sensitive manner which fully recognises the difficulties faced by the employee. Those not selected should also be told of the decision as soon as possible.
- 3.4 Where someone has been selected for compulsory redundancy, they must be given the reasons for their selection in writing and notifying them of their right to appeal (refer to section 11).

Redundancy Appeals Procedure**Appendix B****1 Process to be followed prior to the Appeal**

- 1.1 The Appeal will be heard by the Chief Executive, or a delegated Director, and the Head of HR will appoint a Clerk to the Appeal.
- 1.2 The Clerk to the Appeal will write to the employee informing of them of the date and time of the appeal hearing which will usually be held within three weeks of receipt of the notification of appeal. However, if this will not be possible the employee will be notified of the likely timescale. Acknowledgement of receipt will be required from the employee and the employee must also provide any written evidence they intend to use in the hearing to the clerk of the Appeal at least seven days in advance of the hearing.
- 1.3 Seven days prior to the Appeal, the manager who made the redundancy decision will prepare a statement of case and send it to the Clerk of the Appeal. The statement of case will need to explain the following:
 - The papers (often including committee reports) which provide information on the need for the redundancy
 - The selection criteria used (where applicable)
 - Details of the employees in all posts included in the pool for redundancy selection broken down by gender, age, start date, ethnic origin, disability and length of service in current post.
 - Any measures taken to try and avoid compulsory redundancy
 - Details of consultation arrangements
 - The reasons provided by the employee appealing against redundancy.
- 1.4 Although the employee is likely to have seen the documentation contained within the statement a copy should be sent to the employee seven days before the hearing by the Clerk of the Appeal.

2 Process to be followed at the Appeal

- 2.1 An employee has the right to be accompanied, at the Appeal, by a Trade Union representative or work colleague.
- 2.2 At the Appeal it will be the responsibility of the manager who made the redundancy decision to demonstrate to the Redundancy Selection Appeals Panel that the redundancy selection criteria have been applied fairly. It will be for the employee or his/her Trade Union representative, or work colleague, to demonstrate to the Redundancy Selection Appeals Panel that the redundancy selection criteria have been applied inappropriately and/or the information considered had been incorrect resulting in the employee being selected wrongly for redundancy.
- 2.3 The Chief Executive, having considered submissions from both parties, can determine that the redundancy selection criteria had:
 - Been applied correctly and dismiss the appeal;
 - Not been applied correctly and/or the information upon which it was based was incorrect but that the resultant amendments would have made no difference to the outcome of the redundancy selection and on these grounds dismiss the appeal;
 - Not been applied correctly and/or the information upon which it was based was incorrect but it was unclear what impact this would have on the redundancy selection and so refer the matter back to the Redundancy Selection Panel for reassessment;

- Been applied incorrectly and/or the information upon which it was based was incorrect with the result that the employee had been selected wrongly for redundancy and so uphold the appeal;
- Not been applied to the correct group of employees and so refer the matter back to the Redundancy Selection Panel for re-assessment.

3. Process to be followed after the Appeal

- 3.1 The decision of the Chief Executive will be final.
- 3.2 The Chief Executive will give the outcome to the appeal in writing as soon as reasonably practicable and normally within 14 working days.
- 3.3 Where the appeal is unsuccessful and a redundancy decision is confirmed, employment will terminate on the date specified in the original written notification of redundancy.
- 3.4 In the event that an appeal against redundancy selection is allowed this may mean that another employee will have to be selected for redundancy, provided that the alternatives to redundancy have been considered in respect of the selected employee and the employee has subsequently been afforded the right of appeal. In these circumstances the employee concerned should be advised as soon as is practicable and the opportunity to appeal afforded.